

Table with exchange rates for various countries including Hungary, Poland, Czech Republic, etc.

In Belgrade, Gas Shortages and Spilled Caviar

By John Darnton
New York Times Service
BELGRADE — In the basement restaurant of the Writers Club, a late-night den of smoke and drink and heated talk among Belgrade intellectuals, it was obvious just looking at the waiter's face that something had gone terribly wrong.

these days. If suffering is relative, certainly the low end of the scale is in Belgrade, the capital. Despite a full year of international sanctions imposed by the United Nations, almost anything can be had for the right price. From Colgate toothpaste to Pilsener beer.

The raging war in Bosnia-Herzegovina, between Bosnian Serbs beholden to Belgrade and Muslims, who are also being wiped out by Croats, is only 160 kilometers away. But with lovers strolling past blazing forsythia blossoms in the parks and teenagers horsing around at the outdoor cafes along Knez Mihailova, it feels as though the war were on the other side of the globe.

If tighter sanctions go into effect, as scheduled for Monday, the deadline gives to the Bosnian Serbs to sign the United Nations peace plan, the embargo will really take hold, many here believe. That is because a new provision would not allow any goods to be shipped across Yugoslavia to another country.

Yeltsin Appears To Win a Strong Vote of Confidence

Referendum Polls Show Russians Backing President on All 4 Issues

By Michael Dobbs
Washington Post Service
MOSCOW — President Boris N. Yeltsin appeared to have won a strong vote of confidence on Sunday from the Russian people in a nationwide referendum that he hopes will allow him to settle a debilitating power struggle with parliament and push ahead with the transition to a free-market economy.

through his version of a new constitution to replace the much-amended holder from the Soviet era. Under present constitutional arrangements, the congress has the final say on any amendments to the constitution or changes in the political system.

Recent changes in Moscow's economic program are "disturbing," EBRD says. Page 15.

Russian politicians for the last six months, diverting attention from economic reform. The draft constitution proposed by Mr. Yeltsin would introduce a Western-style two-chamber parliament, giving the president the power to dissolve the legislature and appoint senior judges.

Exit polls and early results suggested an across-the-board victory for Mr. Yeltsin on all four questions of the referendum. A majority of voters even appears to have answered "yes" to the second question — "Do you approve the government's socio-economic policies?" — which was inserted by the congress as a way of diluting an expected vote of confidence for Mr. Yeltsin personally.

The government decision in January 1992 to end decades of state control over prices and move as rapidly as possible to a free market has resulted in an annual inflation rate of well over 1,000 percent and plummeting living standards for millions of Russians. It was widely assumed that most Russians would use the second question to register a protest vote against the way the reforms were being carried out.

Interviews outside polling stations, however, suggested that a majority of voters interpreted the second question as an extension of the vote of confidence in the president. The "yes" vote on the second question will weaken economic reformers in the government, some of whom are known to believe that Mr. Yeltsin has pondered too much to conservatives.

An exit poll by the U.S.-based Voter Research and Surveys indicated that voters had rejected the idea of early presidential elections, but had overwhelmingly approved Mr. Yeltsin's demand for early parliamentary elections. Under vote-counting procedures established by the Constitutional Court, the vote on early elections for congress will only be legally binding if endorsed by an absolute majority of all registered voters.

Exit polling is still in its infancy in Russia. See RUSSIA, Page 6

Karadzic Puts Peace Plan To Assembly With Caution

Compiled by Our Staff From Dispatches
BIJELINJA, Bosnia — The leader of Bosnian Serbs, Radovan Karadzic, told his self-proclaimed parliament on Sunday that it had a choice between defying the United Nations and continuing civil war in Bosnia-Herzegovina or realizing Serbian goals indirectly.

Mr. Karadzic spoke after talks in Belgrade with Yugoslav leaders and the UN mediator, Lord Owen, in a final attempt to avoid the spillover from Bosnia could ignite a wider Balkan war, U.S. warns. Page 2.

imposition of tough new UN sanctions on the warring state of Yugoslavia at 0400 GMT on Monday.

The new sanctions were to be imposed if Bosnia Serbs did not sign a peace plan. Legislators listened in silence as Mr. Karadzic warned them that they had to make a historic decision and that there was a majority in the West in favor of military intervention against Serbs in Bosnia.

"If we do not accept the plan, we must be ready for the people to eat lice," Mr. Karadzic said. "I want you to have all the facts. You can decide whether we fight on or whether we realize our goals by other means in two years or some other time in the future."

Mr. Karadzic was grim as he arrived in the northeastern Bosnian town of Bijelina to report to the Bosnian Serb assembly on the talks in Belgrade with Lord Owen.

"If World War III erupts," he said, "it will be because of the Vance-Owen plan."

Mr. Karadzic said Lord Owen had offered no major concessions beyond ones he already rejected Saturday. UN-policed safe corridors through designated Bosnian-Croatian territory to Serbia.

"We want compact territories and not some corridors," said the speaker of the Bosnian Serb assembly, Momcilo Krajisnik, who had accompanied Mr. Karadzic for the talks.

Earlier, European Community foreign ministers agreed at a meeting in Denmark on measures to ensure that the new UN sanctions against Serbia bite enough to force an end to the killing, but they expressed serious doubts about backing the sanctions with military force.

The EC ministers agreed that "all measures must be taken" to make the UN sanctions "as effective as possible," said the Danish foreign minister, Niels Helveg Petersen, after two days of talks with his 11 EC colleagues.

Lord Owen met in Belgrade with President Slobodan Milosevic of Serbia, President Momir Bulatovic of Montenegro and President Dobrica Cosic of the rump state of Yugoslavia. Mr. See BOSNIA, Page 2



An elderly Moscow resident marking his referendum ballot near a window in a polling station at a military school in the capital.

London Works to Ease Bomb Disruption

By Richard W. Stevenson
New York Times Service
LONDON — Despite extensive damage to a number of buildings from Saturday's bomb blast, London's financial district should be operating nearly normally Monday, officials said Sunday.

Street and in the other New Scotland Yard — but then fled long before reaching their destinations, leaving their bombs in the cars, the police said.

The IRA said the British government had failed to act quickly enough on warnings. "Responsibility for the injuries caused rests squarely with the British authorities," the IRA said.

The Irish Republican Army said early Sunday that it had planted the bomb, which killed one person, injured 44 and did hundreds of millions of dollars in damage when it went off in the heart of the City, as the financial district is known, on Saturday morning.

"British police were aware of our coded warnings 70 minutes before the explosion occurred and had positively located the bomb a full 20 minutes before it detonated," it added.

The blast in the financial district was the most powerful terrorist attack on London in a year, and the police continued a painstaking search for clues Sunday among the debris as officials scrambled to help banks, brokerage houses and other companies minimize any impact.

The IRA, however, made no mention in its statement of two smaller blasts that occurred in London late Saturday night, destroying two taxis but causing no injuries.

Because it was a weekend morning, only a handful of office workers and building security personnel were in the City. The area is also well-traveled by tourists and tour buses, attracted by its narrow streets and many old churches.

The strategem left the central bank looking inept, but it brought into focus the bank's new policy tool: dissimulation aimed at reducing currency speculation.

The separate incidents occurred when men tried to force the cab drivers to take them to their targets — in one case Prime Minister John Major's residence at Number 10 Downing

be that the government and the police need to step up their anti-terrorism efforts, which have proven largely ineffectual in stopping the IRA's campaign on the British mainland.

"The fact is, we are not getting results," said David Mellor, a former member of Mr. Major's cabinet.

U.S. Asylum Mill Has Far Too Much Grist

By Tim Weiner
New York Times Service
NEW YORK — Barely two years after it was altered to abolish harsh and arbitrary procedures, the U.S. system of political asylum cannot cope with the growing crowds of people at the nation's gates, immigration officials say.

hearings in the foreseeable future and thus no resolution of their cases.

gin hearings this week on proposals to put thousands of arriving asylum-seekers on the next flight out.

Nationwide, more than 250,000 foreigners are waiting to see one of only 150 asylum officers. Some have been waiting for years.

"Our twin goals are compassion and control," said Gregg A. Beyer, director of asylum at the Immigration and Naturalization Service.

"Our national philosophy is to accept people fleeing persecution," said Verne Jervis, an immigration agency spokesman. "We don't want to turn them away. There are good people who deserve asylum, no question about it. But it's so easy to defeat the system, a 10-year-old could do it. There are bad people who show up and say, 'I'll be killed if you send me back.' And we have no choice but to admit them."

All say they fear persecution at home, and immigration officials estimate that tens of thousands really are running for their lives. Under the law, most are allowed to enter immediately, physically on free soil but legally in limbo.

Congress, after learning that a major suspect in the World Trade Center bombing entered the United States by pleading for asylum, will be

Immigration officials and immigrants' advocates agree that the system is not working but. See ASYLUM, Page 6

Kiosk

Israel Ready to Let 30 Deportees Return

AMMAN, Jordan (AP) — Israel will allow about 30 Palestinian deportees to return home after years in exile as part of a package of concessions to the Palestinians, a senior Palestinian official said Sunday.

The decision is apparently linked to an Arab decision to return to Middle East peace talks, scheduled to resume Tuesday in Washington.

Saeed Erakat, deputy leader of the Palestinian delegation to the talks, said the returning deportees would be from among those expelled from the occupied territories from 1967 to 1987 for anti-Israeli activities. He did not say how many people that involved or how long the repatriation process would take.

General News

There are a hundred different views of President Clinton's first 100 days. Page 3. Pope John Paul II made a one-day visit to Albania. Page 2.

Sports: Drew Bledsoe, the strong-armed quarterback who left Washington State after his junior year, was picked first in the National Football League draft. Page 21.

Business/Finance: Brazil will speed privatizations to help its economy. Page 15. EC farm ministers set marathon negotiations to set quotas for the year. Page 15.

Bridge: Page 6.

Here Comes McBagel, Ethnic No More

By Molly O'Neill
New York Times Service
NEW YORK — The bagel, that chubby, chewy staple of New York life, has rolled across the country.

"If you can become a doughnut, or a doughnut proxy in the fast-food market, you are no longer an ethnic food. You are as American as pizza."

"The bagelry is your new pizzeria," said John DePalo, manager of Bagel Oasis, an old-fashioned bagel bakery in Queens, New York. "We used to be one of the only games in town. Now there's a bagel shop in every neighborhood."

First, it took over the frozen-food counters of supermarkets, then it reached the menus at McDonald's and Burger King. Now, it has started pushing aside muffin and croissant stores in malls.

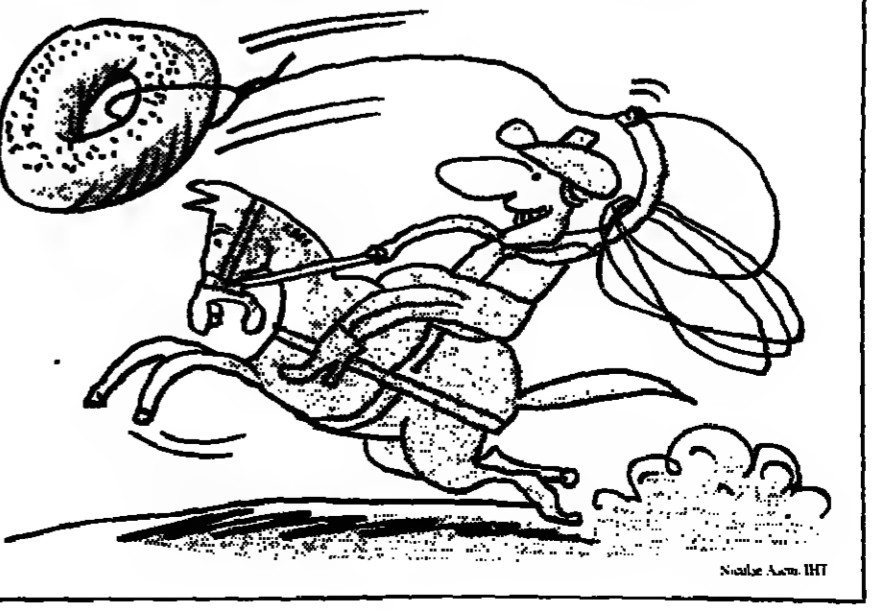
"Increasing numbers of bagels resemble dinner rolls," sniffed Nacho Waxman, owner of Kitcher Arts and Letters, a cookbook store in New York City. "It's an outrage," he said. "No crust, no character, no nothing."

Others are more circumspect about the industrialization of the bagel, which was previously shaped by hand and boiled in a kettle before baking. "The reformulating that mass-

But as the shadow of the Golden Arches looms over the historically handmade roll, fear and loathing have struck deep in Old Bageldom. Among purists, a nearly unspendable dread of the possible long-term effects of

mass-bagel acceptance has become as common as cream cheese. Buoyed by its low-fat, high-carbohydrate nature, as well as its accessibility and relatively low cost, the bagel is poised for its own Horatio Alger story.

See BAGEL, Page 6



السوق الحر

Q&A: Slovak Chief Seeks Europe Link

Michal Kovac, 62, a former banker who was elected Slovakia's first postwar president on Feb. 15, was a member of the Movement for a Democratic Slovakia. The movement led Slovakia's drive for independence, realized in the split on Jan. 1 of the Czechoslovak federation. He spoke in Bratislava with Christopher C. Sulavik.

Q. Your presidency has faced many challenges since you took office two months ago. What did you expect?

A. Some things we expected, and some things we didn't. We foresaw that an economic downturn would continue, that unemployment would rise, and that companies would go bankrupt. We expected all this, and still do. But we didn't anticipate the currency split. We've had problems regulating trade and accounting for payments.

Combined with a lot of speculation over devaluation, we felt an indirect pressure to devalue. As you can see, that didn't happen, and it will not happen. Moreover, we are finding that we have not succeeded in stimulating foreign currency reserves because individuals and companies are illegally storing hard currency in foreign banks.

Q. What are your diplomatic aims?

A. I would like to assure everyone that I meet that the Slovak Republic will be a stable

partner, especially for prospective businessmen. The path we've taken since November 1989, is irreversible; we're taking the road of strengthening democratic institutions and rooting them in society. I want to show that we're out to secure human rights and, precisely, those of national minorities.

Above all, though, we want all our efforts to lean toward becoming a part of Europe — economically, politically, and with regard to military security. There is no force in Slovakia which could reverse this development.

Q. Just after you were inaugurated, you called yourself an optimist. Recently, Prime Minister Vladimir Meciar was quoted as saying that Slovakia is like a train with 5.3 million people rolling downhill with no brakes. Are you still upbeat?

A. First of all, nothing unexpected has happened to us with regard to our economic progress. Some thought devaluing the crown was inevitable. That was not true. If it is said that we are lacking gas for our engines, I say, as a banker, it may be true. We simply cannot tell our companies we have no credits for them. They need credits for one to three months at least to get raw materials to make products for export. In such situations, we cannot say the country has no credits. That is what the central bank and commercial banks are for. But we learn. We keep learning.

Q. Slovakia is negotiating for loans from the IMF, World Bank and EBRD. What are the most pressing needs for these loans?

A. First, we need standby loans to secure the internal convertibility of the crown. These loans are not being used at the moment, and we'll have to find a settlement with the IMF in evaluating our economic situation. Then the World Bank and IMF can release these standby loans. The other loans from the World Bank and EBRD are dedicated to concrete projects, and some are already being used, and more are being proposed for completion and final approval.

We're waiting, more or less, for serious decisions on investments from other countries.

Q. Many Slovaks seem to equate rising prices and unemployment with democracy. What do you tell them?

A. We are taking a proven path, one which other countries have already taken. We're moving toward the model of democratic states with well-functioning free market mechanisms, but it's been a thorny passage. Democracy is not an experiment. It's a direction that will take us toward a successful end.

Q. And of the growing pains?

A. The dream that the average man can have a decent living standard, well-stocked shops, alongside with freedom and cultural development, definitely makes it worthwhile.

U.S. Fears Spillover From War in Bosnia

Wider Conflict Could Involve Greece and Turkey, CIA Says

By Stephen Engelberg
New York Times Service

WASHINGTON — As President Bill Clinton weighs military action in Bosnia-Herzegovina, the danger that war will spread elsewhere in the Balkans is emerging as a dominant issue in the deliberations, according to administration officials.

The Central Intelligence Agency has told the White House that any spillover of the fighting in Bosnia could ignite a regional war that might ultimately bring in Greece and Turkey, which are both members of the North Atlantic Treaty Organization, against each other.

Although both the Clinton and Bush administrations warned Serbia that any signs of aggression beyond Bosnia's borders would bring an immediate military response, many senior American officials say they now believe that those warnings have been under-

mined by the West's inaction on the war in Bosnia.

In a recent letter to the White House, the U.S. representative at the United Nations, Madeleine K. Albright, argued that air strikes in Bosnia were needed both to save civilian lives and to convince Serbia's president, Slobodan Milosevic, that the West is serious in its warnings against pushing the conflict beyond its current borders, administration officials said.

The United States specifically warned Mr. Milosevic earlier this year against driving ethnic Albanians from Kosovo, a province of Serbia in which Serbs are a minority. Clinton administration officials have since expanded what one called a "red line" to include any move by Serbs against Macedonia, one of four republics that emerged from Yugoslavia's disintegration.

"Probably Milosevic doesn't believe it," a senior administration official said. "I worry about that. I'm afraid we don't have a great deal of credibility on Kosovo because of what we've shown on Bosnia. And there is already a lot of Serb pressure on Macedonia."

Macedonia's representative in Washington, Ljubica Z. Acevska, said few in the Balkan region were taking the U.S. pledge to protect her country seriously.

"After Bosnia, it is a sham," she said. "Who is going to believe it?"

Many administration officials believe that military action against Bosnia Serbs would deter the federal Serbian-led Yugoslav government in Belgrade from undertaking or financing Serbian nationalist military campaigns elsewhere. On the other hand, officials believe that if the West does not act now — after Mr. Clinton's public acknowledgment that he is considering air strikes — Serbian nationalism will be further emboldened.

Although 1.7 million ethnic Albanians live in Kosovo, forming an overwhelmingly majority, the territory is also prized by Serbian nationalists as the site of the Serbs' apocalyptic last stand against Turkish invaders in 1389.

The CIA has warned that Albania's military is poised to respond if ethnic Albanians are pushed across the border into Albania. On Dec. 15, President George Bush's director of Central Intelligence, Robert M. Gates, said in a speech that the fighting in Bosnia "has the frightening potential to spread."

Mr. Gates said the CIA had told Mr. Bush in private briefings that any Serbian move in Kosovo would destabilize Macedonia, which has a large Albanian minority.

Bulgaria, Greece and Serbia, all of which have at times asserted territorial claims to Macedonia, would seize parts of that country as the violence increased, according to a possible scenario suggested by the intelligence agency.

Turkey and perhaps other Muslim nations might jump in to support Muslim Albania, such thinking goes, while Orthodox Greece would ally itself with the Orthodox Serbs.

WORLD BRIEFS

Scalfaro Calls for Defense of the Lira

ROME (Reuters) — President Oscar Luigi Scalfaro, seeking a prime minister to head Italy's 52d postwar government, said Sunday that defending the lira was a priority for the new administration.

Mr. Scalfaro was speaking after completing formal talks with political leaders aimed at finding a successor to Giuliano Amato, a Socialist, who resigned Thursday. Mr. Scalfaro said the government must also focus on adopting the electoral reform that voters backed overwhelmingly in a referendum a week ago.

"We must reply in a satisfactory way to the Italian people who gave an absolutely clear verdict," Mr. Scalfaro said, referring to the ballot in which more than 80 percent of voters opted to dismantle proportional representation, adding that Italy's ultimate goal was early general elections under new voting rules. "The other problem is the defense of the currency," he said.

Belgians Protest Separatist Demands

BRUSSELS (AP) — Tens of thousands of Belgians, many waving the red, gold and black of their national flag, packed downtown Brussels on Sunday to protest against separatist demands.

The marchers claimed to represent the "silent majority" opposed to demands for independence made by nationalists in Dutch-speaking Flanders and French-speaking Wallonia. The demonstration came just two days after parliament approved a new federal constitution granting wide autonomy to Flanders, Wallonia and bilingual Brussels. The reform was designed to end decades of dispute between Belgium's 6 million Dutch-speakers and 4 million francophones.

Organizers estimated that more than 50,000 from both linguistic groups turned out for the demonstration. The police put the figure at half that.

Swiss Vote to Keep an Old System

HUNDWIL, Switzerland (Reuters) — Switzerland's most traditional canton voted Sunday to keep its old form of democracy, in which officials are elected by a show of hands at an annual outdoor assembly.

The citizens of Appenzel Aussen-Rhodon, where women won the vote at cantonal level only in 1989, raised a "forest of hands" to retain the annual "Landsgemeinde," or assembly, the Swiss news agency reported. Feminist campaigners had called before the vote for the assembly to be retained with women playing a full role.

The assembly, which has elected local officials in the eastern Swiss region for more than four centuries, has been criticized as an outdated and flawed institution. Its critics, who demand secret ballots, say that only 20 percent of those eligible turn up and that the public show of hands prevents a free vote.

Pakistani Vows to Expel Militants

KARACHI, Pakistan (AP) — Acting Prime Minister Balakh Sher Mazari vowed Sunday to expel militant Islamic fundamentalists who, he said, are using Pakistan as a base to engineer violent uprisings in their homelands.

"Pakistan cannot allow its territories to be used for any undesirable act against another state," Mr. Mazari told the opening session of the Organization of Islamic Conference foreign ministers.

Representatives of Egypt, Algeria and Saudi Arabia said outlawed Islamic fundamentalist groups have been allowed to operate in Pakistan. "We know that several countries have been backing terrorism in other countries," said an Algerian representative.

TRAVEL UPDATE

Club Méditerranée is to open a holiday village on China's Hainan Island, the official Xinhua press agency reported from Beijing. The resort, the club's first in China, will have 700 beds. (AFP)

Hong Kong's Dragonair will begin flying from Hong Kong to the Cambodian capital, Phnom Penh, twice a week beginning in May, the company announced. The service will operate every Tuesday and Friday as a same-day round trip. (Bloomberg)

China plans to build a high-speed railroad linking Beijing and Shanghai by the end of the century, it was reported in Beijing. Trains will travel up to 250 kilometers (155 miles) per hour on the 1,330-kilometer (826-mile) track, reducing the travel time of 17 hours to 6 or 7 hours, the Xinhua press agency reported. (AP)

A foreign invasion has turned Prague into the hub of European tourism. The Czech Statistics Bureau said 83,477,428 foreigners visited Czechoslovakia last year. According to the World Tourism Organization, France was the world's most popular tourist destination last year. It counted 60 million visitors, well below the number listed by the Czechs. Economics Minister Karel Dyba of the Czech Republic said he expected visitors to the republic to increase by 30 percent in 1993. (Reuters)

A healthy traveler is not at great risk of contracting tuberculosis on a short visit to Southeast Asia or Africa despite a rise in the incidence of the disease in those regions, experts say. Dr. John Porter of the London School of Hygiene and Tropical Medicine said the chances of catching the disease on a tourist bus were remote. (AP)

Golfing in the tropics can increase the risk of contracting malaria, a specialist in tropical diseases said in a letter to the medical journal *Lancet*. Graham Fry of the Royal College of Surgeons in Ireland said water and rough terrain on courses provided an ideal breeding ground for mosquitoes that carry the disease. (Reuters)

Atheism Ended, Albania Turns Out For Pope's Visit

By Alan Cowell
New York Times Service

SHKODER, Albania — Poles don't make it to Albania too often. Indeed, the last one who tried, Pius 11, died on the way in 1934, which made Pope John Paul II's arrival here Sunday something of a moment in a land that, until a few years back, was the world's only officially atheist state, its most isolated and the most rigidly Stalinist.

The people lined the streets in the familiar way of a papal visit, crammed onto balconies in the crumbling concrete tenements of Europe's poorest country, dressed in the homespun Sunday best of those who don't see too much of Vogue or GQ.

The cathedral that the dictator Enver Hoxha ordered transformed into a sports hall when he made religion illegal in 1967 has been turned back into a cathedral, one of the biggest in the Balkans. There was stained glass — blue, red and yellow — filtering light onto a congregation below a carved wooden ceiling.

The paint was barely dry on the peach-colored walls. The cross had usurped an electronic scoreboard hung in its place during the Communist era.

When the Pope and his scarlet-robed cardinals entered, some people said, the ovation surpassed the applause for any old Communist volleyball game.

It was in this small city of 80,000, the center of the country's Catholicism, that Albania's break with its post-Communist past began in 1990, when young people tried to

destroy a statue of Stalin and held an illicit Mass that thousands attended.

In the same year, the power of religion long repressed was acknowledged by the authorities in Tirana to the south when they began to undo legislation that had permitted the destruction of around 90 percent of Albania's places of worship. The repression was so great that many younger people simply never learned to pray. But, though faith played a central role in change, this is no Poland.

In Albania, unlike the Pope's native country, only 13 percent of 3.2 million people are Catholics. Some 18 percent are Eastern Orthodox and around 50 percent are Muslim. The rest, even the Vatican acknowledges, took Enver Hoxha's enforced teaching to heart and profess no faith.

The mix reflects Albania's location, not simply in the Balkans but near Serbia, to which it is inextricably tied by the presence of a large ethnic Albanian Muslim group ruled by minority Serbs in Kosovo Province.

Even though Poles don't get to Albania often, they have to tread carefully when they do.

"The Serbs are incredibly sensitive to anything said from here," said a high Vatican official, speaking in return for anonymity. For that reason, the Pope avoided anything but the most elliptical condemnations of the war in the former Yugoslavia — an issue on which he has been much more forthright from the relative dis-



Pope John Paul II blessing Mother Teresa, who is of Albanian origin, on Sunday at the airport near Tirana as he arrived for a one-day visit. To the Pope's left stood Albania's president, Sali Berisha.

tance of Rome across the Adriatic.

Thus, when the Pope addressed a mass rally in Tirana on Sunday night before flying back to Rome, he evoked Bosnia-Herzegovina's cruel contest between those of different faith only by implication, seeming to counsel Albania against becoming embroiled in the affairs of Kosovo and thereby risking a wider Balkan war.

"True religious freedom avoids the temptations of intolerance and sectarianism," he said.

"Whatever, do not let the sense of nation that you feel strongly at this moment degenerate into the kind of intolerant and aggressive nationalism that claims its victims still today and fuels ferocious hatreds in several parts of the world, some not far from here," he said.

That is not the only of Albania's worries. Poverty is so deep that in the 100-kilometer drive north from Tirana through green lands, a reporter saw only one tractor amid those who tended crops with scythes and hoes and ox caris.

Crabgrass grew between the railroad tracks, which people used as a pathway.

And recalling the paranoia that persuaded Albania's Communist rulers of ubiquitous threats, concrete pillboxes in defensive lines punctuated the landscape, relics of the campaign that never came.

Here, though, as in other places that the Pope visits around the world, the church offers a solace that the economy denies.

BOSNIA: Serbs' Chief Puts Peace Plan to Assembly

(Continued from page 1)

Karadzic joined the talks after three hours.

A day earlier, Lord Owen stormed out of a meeting with Mr. Karadzic in frustration over obstacles set up by Bosnia's Serbs to the peace plan. Bosnian Muslims and Croats have already signed the plan, which would give each group three provinces and split control of the capital, Sarajevo, among them.

The Bosnian Serbian assembly was due in vote on whether to accept or reject the UN plan at its session in Bijeljina, in northeast Bosnia. But legislators said they would wait for Mr. Karadzic to report to them and some said they would continue to resist a decision, opting instead for a referendum of Bosnian Serbs that could take weeks to organize.

"A referendum is the only solution," said the Bosnian Serbian information minister, Miroslav Toljoh. "Let the people decide."

In Middelbart, Denmark, where the EC foreign ministers met, Mr. Petersen, whose country now holds

the rotating EC presidency, said the EC had agreed to reinforce teams of international sanctions monitors. Diplomats said the EC share would rise to 112 from 79.

He also said the ministers would seek to exclude Serbia from the few international organizations where it still has a seat, such as the UN Industrial Development Organization.

But Foreign Minister Klaus Kinkel of Germany said: "We are all agreed that military action would mean a further escalation with possibly irreversible consequences. There would be no going back."

"Politicians are at the moment more prepared to go ahead than the military would advise them to," he said, adding that he felt this also applied to the United States, where President Bill Clinton is reviewing options to stop the fighting.

Almost all the EC ministers opposed lifting an arms embargo to enable Bosnia's Muslims to receive arms, an option favored by Washington.

Although failing to agree to use

force, the ministers backed a unilateral British pledge to rescue 150 Canadian UN soldiers from the Muslim town of Srebrenica if they became trapped by fighting.

Diplomats said the United States might send Secretary of State Warren M. Christopher to Europe to discuss possible actions, including military, with its EC allies in coming days.

These are the UN sanctions being imposed on Monday:

- Reinforcement of the blockade of shipment of goods through Yugoslavia via the Danube River.
- Prohibition of Yugoslav ships from passing through the territorial waters of UN-member countries.
- A freeze on Yugoslav government and private funds in foreign banks.
- Prohibition of goods, except for medicine, food and other humanitarian supplies, from entering Yugoslavia by land.
- A call on UN members to impound Yugoslav ships, trains and aircraft in their territories if they are violating sanctions.
- Prohibition of commercial ships from entering Yugoslav waters.
- Prohibiting member states from providing most services to Yugoslavia, except those that may be necessary for humanitarian reasons.

Meanwhile, UN helicopters evacuated 161 wounded and ailing people from Srebrenica on Sunday while a five-member Security Council delegation was visiting the town, diplomats said for the UN Protection Force said.

Commander Barry Frewer said two British Sea King and two French Puma helicopters took the evacuees to the Muslim stronghold of Tuzla in northeastern Bosnia. (Reuters, AP)

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BELGRADE: Caviar and Woes

(Continued from page 1)

They say they cannot understand why the world does not view the conflict their way and why every one is out to punish them. They do not see themselves as ruthlessly killing Muslims in Bosnia but as coming to the aid of threatened fellow Serbs who live there.

The secret to these moral blinders lies in Belgrade television. From the first, control and manipulation of the state-run channel was a key to power for the president of Serbia, Slobodan Milosevic. Serbian atrocities are never covered. The Serbian shelling of Sarajevo, for example, was presented as an example of Muslims shelling themselves to get world sympathy.

The opposition to the war is paralyzed and dispirited; there has not been a large peace rally in Belgrade since the presidential election in December, which was won handily by Mr. Milosevic.

One television commentator is notorious for his calls for ethnic purges at various newspapers and magazines. At times, the expressions of Serbian solidarity on the airwaves reaches strident levels.

One guest on television last week noted that there were about 12 million Serbs in the former Yugoslavia. "So if 6 million die, we are still all right," she said.

student of Scandinavian languages. "It was dirty, but it had atmosphere. We had film festivals, rock bands, cafes, lots of parties. It was fun."

"Now there are all these money-changers, cigarette sellers, men in fatigues and guns hanging around. These stands selling Chetnik music," a reference to the name Serbian nationalists have appropriated from Serbian guerrilla fighters in World War II.

"The whole mood is different," he said. "Hundreds of people, students and intellectuals, have left. They've gone abroad, and their place is taken by these new tough people from the country."

One independent newspaper recently published the lists of names of people who have gone abroad. It took up page after page, and the professions, ranging from movie directors to professors, made it clear that Belgrade is losing its intellectual elite.

Outside the country the Serbs, whose explosive nationalism has ignited the Balkan war, are seen as aggressive, stubborn and arrogant. But in Belgrade, they present themselves as weak, victimized and misunderstood.

Herald International Tribune

Russian Common Ground

The Russian referendum on Sunday was one vital sign that democracy is taking hold in harsh Russian soil. For Boris Yeltsin, it has been a chance to renew his shrinking popular mandate. But unless voters rallied to him in unexpectedly large numbers, it will not be easy to translate that mandate into new momentum for economic and constitutional reform.

Transition in Turkey

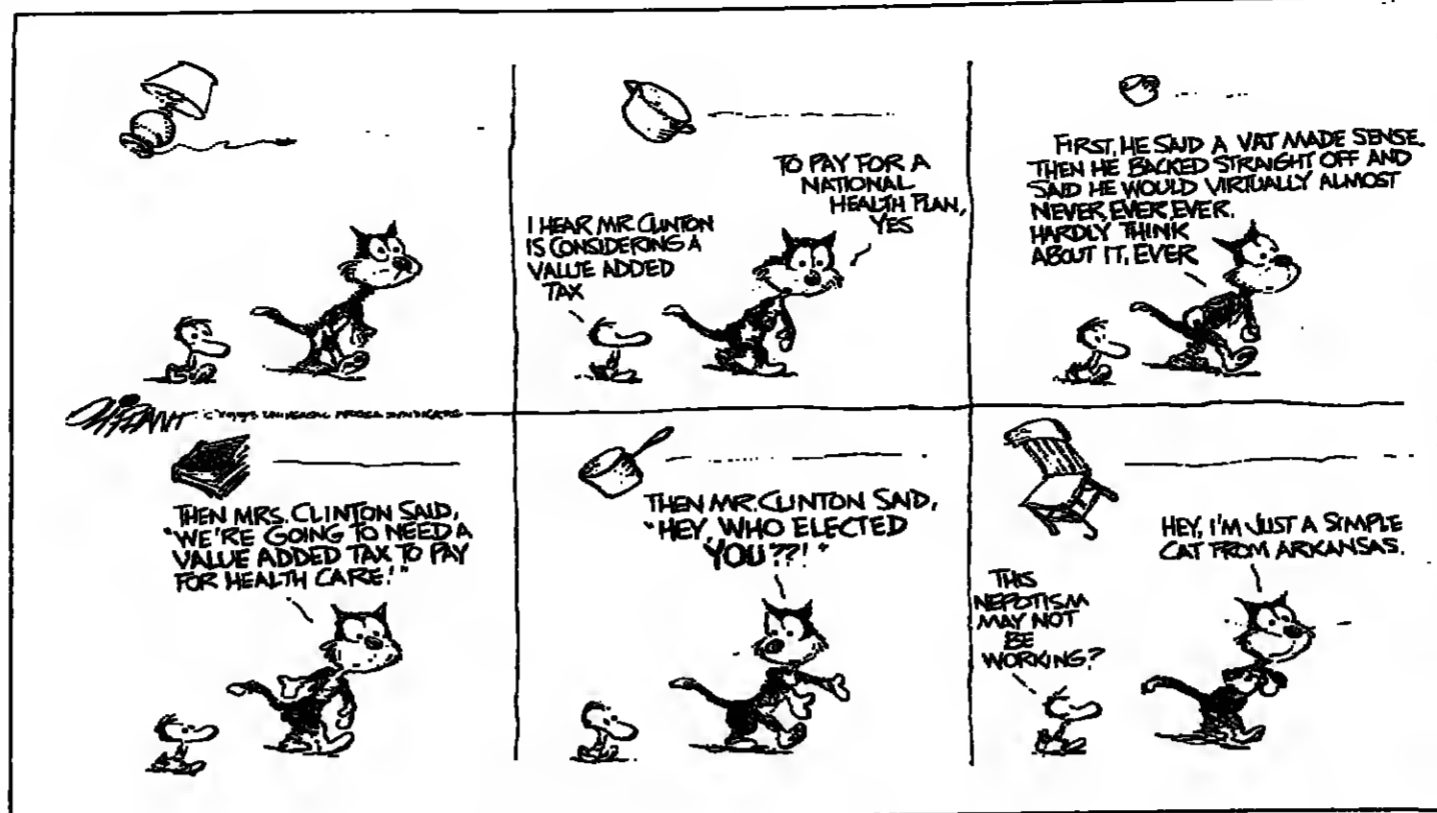
The death on April 17 of Turgut Ozal, Turkey's president, was bad news for the West. Mr. Ozal, who died of heart disease after returning from a grueling tour of the ethnically diverse republics of ex-Soviet Central Asia, had been an early and strong supporter of American policy in the Gulf War and a highly visible pro-Western figure outside Turkey's borders.

Listen to Tibet's Case

The Dalai Lama, exiled religious and political leader of Tibet, is coming to Washington in the hopes of generating a new burst of official American concern for his homeland. The occupier since 1949, Communist China has the power and has used it relentlessly to subvert Tibet's aspirations for nationhood and independence.

Other Comment

Russians Need Democracy: As power struggles intensify and Russia's economy plunges toward chaos, it has become fashionable to contrast Russia with China and to argue that Russia needs an authoritarian government like those that have accompanied successful economic reform in China, other parts of Asia and Chile.



Clinton Has to Be Seen to Lead at Home and Abroad

NEW YORK — From Washington and around the world, the grumbling has begun about President Bill Clinton's leadership, his ability to wield power and his willingness to do what is necessary to prevail. To boot, he has to gain control quickly of two key issues, mastering Congress on the budget and mustering Europeans behind a plan for bold action on Bosnia.

Under Milosevic, Serbia Is Throwing Out Its Future

PARIS — The diabolizing of the Yugoslav war has gone very far. Atrocious propaganda is a dangerous weapon, with a tendency to recoil against those who employ it. The Communist leadership of the old Yugoslavia, preached hatred of its neighbors as part of a deliberate effort to incite a latent Serbian nationalism during the late 1980s and thus to keep itself in power while Communist regimes elsewhere were falling.

Life Becomes a Collection of Receipts

WASHINGTON — Moses Herzog, the wonderful creation of the novelist Saul Bellow, can't stop himself. In the novel "Herzog" he compulsively writes letters and notes. He writes to family members, friends, notables he doesn't know, even the president of the United States.

The IMF Is Turning Activist

WASHINGTON — Led by the United States, the Western powers, which last year failed miserably to help the former Soviet Union avert an escalating socioeconomic crisis, have one more chance. They had better make the most of this one.

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INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUBNER, Publisher JOHN VINCIGUERRA, Executive Editor...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1893: A Wild Roundup LONDON — All the wild boars, or rather the bear and three sows, were escaped from Knole Park, Lord Sackville's seat at Sevenoaks, have now been killed after an exciting hunt.



Proof of Cult Abuse Is Missing

Inquiries Into Reports of Child Molestation Go Nowhere

By Gustav Niebuhr and Pierre Thomas

Washington Post Service

WASHINGTON — Ever since the Branch Davidian compound burned to the ground, leaving 17 young children among the dead, the Clinton administration has been on a media offensive. Its message: What happened was a rescue mission gone tragically awry, a humanitarian attempt by federal agents to save young victims from physical and sexual abuse.

This leaves an obvious question: If life was so terrible for Branch Davidian children, why was nothing done earlier?

Allegations now treated as truth at the highest levels of the U.S. government were known to federal, state and local authorities well before the Bureau of Alcohol, Tobacco and Firearms tried to storm the compound Feb. 28.

But interviews with federal and local officials, as well as a former member of the cult in Australia, indicate that those much-publicized allegations of beatings and sexual molestation did not generate much official action. Twice David Koresh, the cult leader, was investigated. An inquiry in California went nowhere; the other, in Texas, turned up no evidence of abuse.

Furthermore, none of the 21 children released from the compound in the early stages of the 51-day siege has shown signs of abuse, Texas child protective service officials said. The children have been physically and psychologically examined. Still, officials said lack of evidence does not mean abuse did not occur, because young victims often keep it secret.

When the Bureau of Alcohol, Tobacco and Firearms launched its assault on the compound near Waco, Texas, leaving four agents and about half a dozen cult members dead, American authorities

said the raid had primarily been a result of fears that the cult was building a huge arsenal of weaponry for a "military-style operation."

During the standoff that followed, the agency also said it had learned of serious child abuse allegations during its weapons investigation.

As the standoff dragged on, state authorities said they had no new evidence that child abuse had got worse on the compound. But soon after the FBI assault last week, federal officials began citing concerns over the safety and health of the cult's children as a primary reason for the FBI's decision to fire tear gas into the compound, an action that preceded the fire.

Last Monday, Attorney General Janet Reno said, "We had information that the babies were being beaten."

At a news conference on Friday, President Bill Clinton said: "We know that David Koresh had sex with children. Where I come from, that qualifies as child abuse."

Neither Mr. Koresh nor any other adult at the Branch Davidian compound was ever charged with criminal child abuse.

The Texas Department of Protective and Regulatory Services summarized its nine-week investigation last spring of child abuse charges against Mr. Koresh: "None of the allegations could be verified. The children denied being abused in any way by any adults in the compound. They denied any knowledge of other children being abused."

Texas child protection officials also said they had received no further abuse allegations after that time.

A police sergeant in suburban Los Angeles has said that an investigation he conducted last fall came up with enough evidence to warrant an arrest, had Mr. Koresh been in California at that time. But

the policeman said, he might not have had enough to convict him.

Should this pun the abuse allegations in doubt? Not so, insist many who had even limited contact with the Branch Davidians.

"I know how these types of groups work, and children are always abused," said Priscilla Coates, former executive director of Cult Awareness Network, which tracks what it considers abusive religious groups.

Twice in the past six years, defecting Davidians called her Los Angeles home. On one occasion, a woman said Mr. Koresh had fathered a baby by a 12-year-old girl. Last year, another defector, a young man, phoned.

Another person who claims to know details is Marc Breault, who describes himself as Mr. Koresh's chief lieutenant until he quit the cult at the end of 1989 and moved to Melbourne, Australia.

The child abuse "was quite extensive, on a massive scale," Mr. Breault said. "And I'm talking about both sexual and physical. Beatings started at an extremely young age—less than a year old."

He added that the sexual abuse "started at 10 years old."

2 Cult Members Died of Gunshots, Autopsies Reveal

The Associated Press

FORT WORTH, Texas — Two victims found in the rubble of the compound of the armed Branch Davidian cult died of gunshot wounds to the head, according to the medical examiner handling the autopsies.

But Dr. Nizam Peerwani, the Tarrant County medical examiner whose office is handling the autopsies of the victims, refused to elaborate on the wounds or say when the shootings might have occurred.

The victims, a man and a woman, were found next to each other on top of a concrete bunker at the center of the compound near Waco, Texas, he said.

A 51-day standoff between the Branch Davidians, led by David Koresh, and authorities ended on April 19 in a fire that consumed the compound. Mr. Koresh and 85 of his followers were killed.

Six autopsies had been performed by Saturday. Three of the victims died of smoke inhalation and carbon monoxide poisoning, and the cause of death of another victim was still undetermined pending a toxicology report. Dr. Peerwani said.

AMERICAN TOPICS

'Cult' Debate Revived By Texas Tragedy

The tragic conclusion of the siege of the Branch Davidian compound near Waco, Texas, has revived a debate in religious circles over the use of the word "cult." Some experts say the term only serves to dehumanize. The New York Times reports. Others say it serves as a warning of what such groups are capable of.

Rabbi A. James Rudin, who with his wife, Marcia, wrote "Prison or Paradise: The New Religious Cults" (Fortress Press, 1980), said the term accurately described the Branch Davidians. He added, "There are other, dangerous cults out there."

Experts say roughly 200 religious communities in the United States live in confined areas, often forming around a religious leader, withdrawing from society and relinquishing private property and personal freedoms.

James Richardson, a sociologist of religion at the University of Nevada at Reno, objects to "cult." He said he prefers words like "new," "minority" or "esoteric." He said: "We forget that 99 percent of minority religious groups are benign and peaceful and just want to be left alone."

Martin Marty, a professor at the University of Chicago who has written extensively on fundamentalism, said the word "cult" needs adjectives. "Self-destructive cult," he said, would serve to distinguish the Branch Davidians from most others.

Short Takes

Although Head Start, the preschool program for 3- and 4-

year-olds, has been widely criticized as ineffective, one study suggests that it can make a difference even beyond the school years. A survey of one such program in Ypsilanti, Michigan, showed that children who had taken part had greater earning power in later life, more stable marriages, fewer drug problems and fewer arrests than children in a control group not in a preschool program. Both groups were monitored from ages 3 to 11 and again when they were 14, 15 and 19 years old.

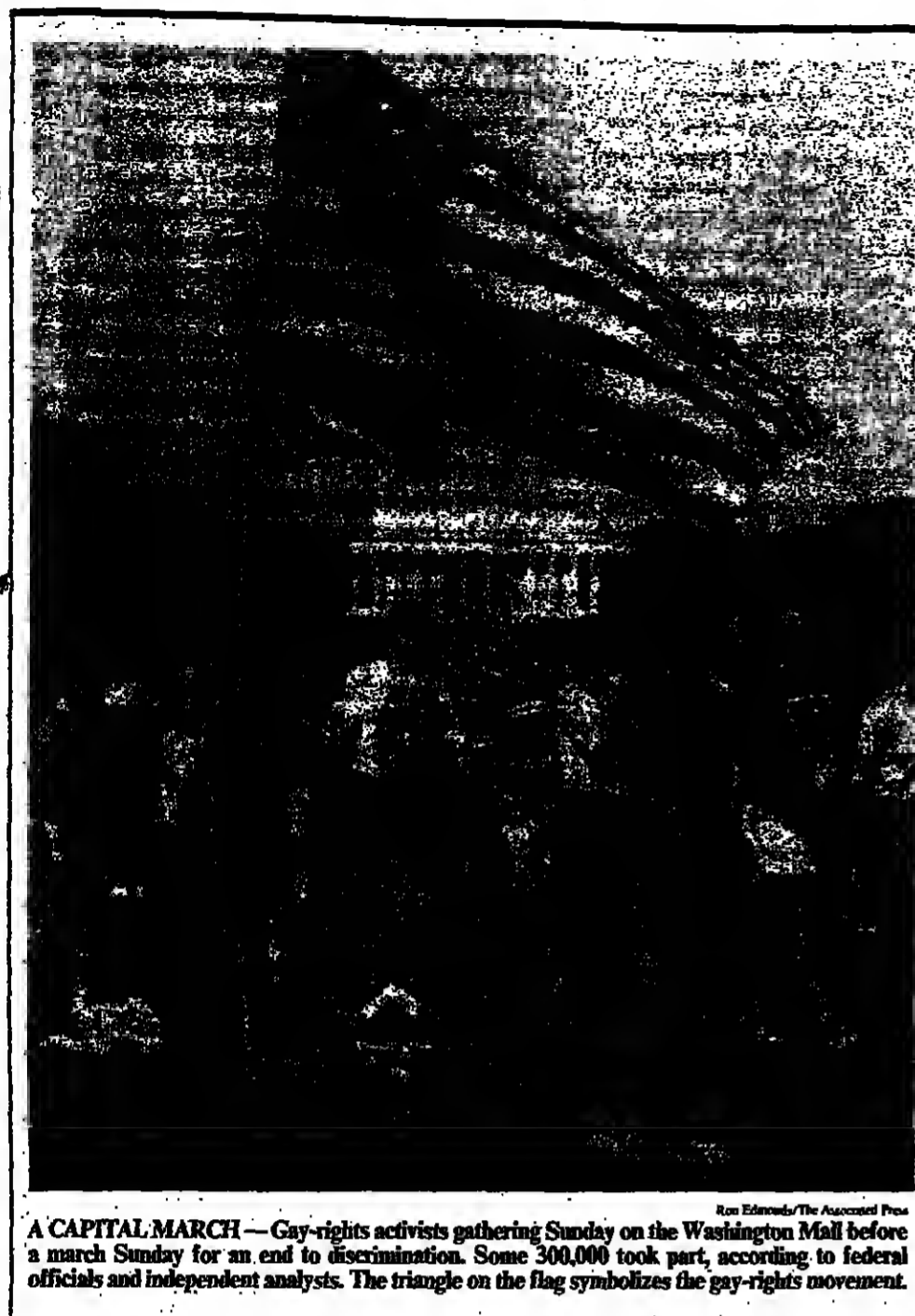
A "Giant Panda Conservation Action Plan" has been launched by the American Association of Zoological Parks and Aquariums to help reverse the endangered animal's population decline and ensure that money earmarked for conservation will be used wisely. The plan, agreed to by the group's 161 member zoos, will also cut down on the number of temporary panda exhibits. Critics say these make money for zoos, but distort the pandas. About 1,000 pandas survive in their natural habitat in western China, and about 100 in captivity.

Customers who showed up naked were given a 50 percent discount at a Gainesville, Florida, record store. Eleven young men took advantage of the offer before the police intervened. The store's co-owner, Scott Williams, complained that the police were "completely humorless."

About People

The actress Kathleen Turner, 38, when asked how she likes being described as a sex symbol, replied, "The older I get, the less I mind."

Arthur Higbee



A CAPITAL MARCH — Gay-rights activists gathering Sunday on the Washington Mall before a march Sunday for an end to discrimination. Some 300,000 took part, according to federal officials and independent analysts. The triangle on the flag symbolizes the gay-rights movement.

Oliver Tambo, Ex-ANC President, Is Dead at 75

By Constance L. Hays

New York Times Service

Oliver R. Tambo, 75, leader of the African National Congress for decades when it was banned and he was in exile, died early Saturday from a stroke, the ANC said in Johannesburg.

In 1967, Mr. Tambo became the leader of the largest South African organization opposed to apartheid and white minority rule. He suffered a previous stroke four years ago in Sweden.

Mr. Tambo fled into exile in 1960, when the ANC was banned by the South African government. He directed the congress's activities in exile, pressing for sanctions against South Africa and helping set up a guerrilla organization in neighboring black states.

He returned to South Africa as president of the congress in December 1990, after its legalization. Because the stroke in 1989 left him



Oliver Tambo, who was replaced as ANC president by Nelson Mandela in 1991.

the government in February 1990 after 27 years in prison.

The two men had been partners in South Africa's first black law firm. The congress created the post of national chairman for the ruling activist.

Mr. Tambo was born on Oct. 27, 1917, to peasant farmers who were members of the Pondo tribe in the Transkei village of Bizania, outside Johannesburg. He spent what he later called a politically sheltered childhood, attending Anglican and Methodist mission schools and riding in a tribal chief's equestrian group.

Mr. Tambo studied science and education at Fort Hare University, where he first became politically active. After an attack on a black woman dining-hall employee by a white male student went unpunished, Mr. Tambo led a student protest against the incident.

He remained at the university for graduate work, but was expelled in

1942 after he led a large student protest against arbitrary restrictions on the use of a campus tennis court.

In 1944, Mr. Tambo founded the Youth League of the ANC with Mr. Mandela, a fellow student at Fort Hare, and several colleagues at St. Peter's, his high school alma mater, which hired him as a teacher after he was expelled.

The league was generally disenchanted with the cautious approach of the parent organization toward seeking the overthrow of white minority rule and urged more direct action.

Mr. Tambo and Mr. Mandela also battled apartheid in the country's judicial system, opening their law firm in Johannesburg despite demands from officials that they relocate in a black township.

In 1956, the two were arrested and charged with treason. They were tried nearly two years later, and found not guilty in 1960.

The shift from a nonviolent, civil disobedience approach came the same year, when police opened fire on a demonstration in Sharpeville, killing 69 people and wounding 181.

At that point, Mr. Tambo said later, he "knew that nonviolence had become meaningless." The ANC was banned two days later, and its members went underground.

Andre Oliver, 61, Pierre Cardin's main assistant for more than 40 years, died in Paris on Thursday, reportedly from AIDS.

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INTERNATIONAL RECRUITMENT. You will find below a listing of job positions published last Thursday in the International Herald Tribune under the International Recruitment Feature. Table with columns: POSITION/LOCATION, COMPANY. Includes roles like General Manager/Madrid, Director of Marketing/Hong Kong, etc.

ESCORTS & GUIDES. BELLE EPOCH, MERCEDES, ARISTOCATS. Various travel and escort services listed.

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The Return of the Hired Gun

After 30 Years, Mercenary Retires to Paris

By Alan Riding
New York Times Staff Writer

PARIS — Wandering past the Café de la Paix near the Opéra in a blue blazer, collar and tie. Bob Denard looked like any other respectable Parisian returning to work after lunch.

"One can be a mercenary and a gentleman, you know," he said with a smile.

The dapper 64-year-old had good reason to feel relaxed. After 30 years of adventure, war and politics across Africa, this country's most famous soldier of fortune has at last come in from the heat, surprised to be alive, even more surprised to find France ready to embrace him as a patriot.

When he returned home in February from three years in exile in South Africa, his reception was less warm. He was jailed on charges of "criminal association" for his role in an abortive coup that left eight people dead in Benin in 1977.

But, at his trial, even the prosecutor asked for leniency. More importantly, a parade of retired generals, intelligence chiefs and politicians testified that Mr. Denard had never betrayed French interests. Given a five-year suspended sentence, he walked free after two months behind bars.

"All my roots, all my family, all my children are in France," he said of his eight offspring from seven wives. "I could no longer stay away. I couldn't continue living like a pariah. I had to come home."

Yet there was more to his return than nostalgia. With the end of the Cold War, Africa is no longer an arena for East-West rivalry. South Africa is seeking new friends among its neighbors. And, with all this, the hired gun is no longer much in demand.

"For a long time, it was the fight against communism," he said. "For us, wherever there was communism, it had to be eliminated. And since in all these rebellions, the two blocs, East and West, were always confronted, well, we were the soldiers of the West."

His list of assignments coincided with many African and some Middle Eastern hot spots — Katanga in

"There was also some idealism. We had our code of ethics."

Bob Denard, French soldier of fortune

1962, Yemen in 1963, Zaire from 1965 to 1967, Biafra in 1967, the Kurdish region in 1974, Comoros in 1975, Angola in 1976, Benin in 1977, Comoros again in 1978, and Chad in 1981-82.

But he said that before embarking on an action he always checked with Paris — with French military intelligence or with the official in charge of African affairs in Elysee Palace. "I would receive the yellow light," he said, "which meant there was no opposition."

He said he worked with British intelligence in Yemen and with the Central Intelligence Agency in Angola. But elsewhere, he and his men — at one point in Zaire, he led an army of 1,200 mercenaries — invariably fought for African presidents or rebel leaders who enjoyed official French sympathy.

It was also France that ended his career. In December 1989, it sent

five warships and 3,000 troops to the Indian Ocean to chase Mr. Denard and his 30-man corps from Comoros, an island group where for more than a decade they had been the power behind President Ahmed Abdallah Abderemane.

Weeks earlier, Mr. Abdallah had been assassinated under murky circumstances. France braced for the possibility of major unrest in its former colony, and rather than fight French troops Mr. Denard took a plane into exile in South Africa.

Renting a home in a Pretoria suburb, he waited to be called out of retirement, but the invitation never came. South Africa no longer needed him. France, which had sentenced him to jail in absentia for the Benin case, refused to renew his passport. So he sat down to write his memoirs.

Born of a soldier father in a village in the Bordeaux region, he joined the navy as a teenager and was sent to Vietnam, where France was fighting to hold its colony. There, he suffered the first of his three war wounds.

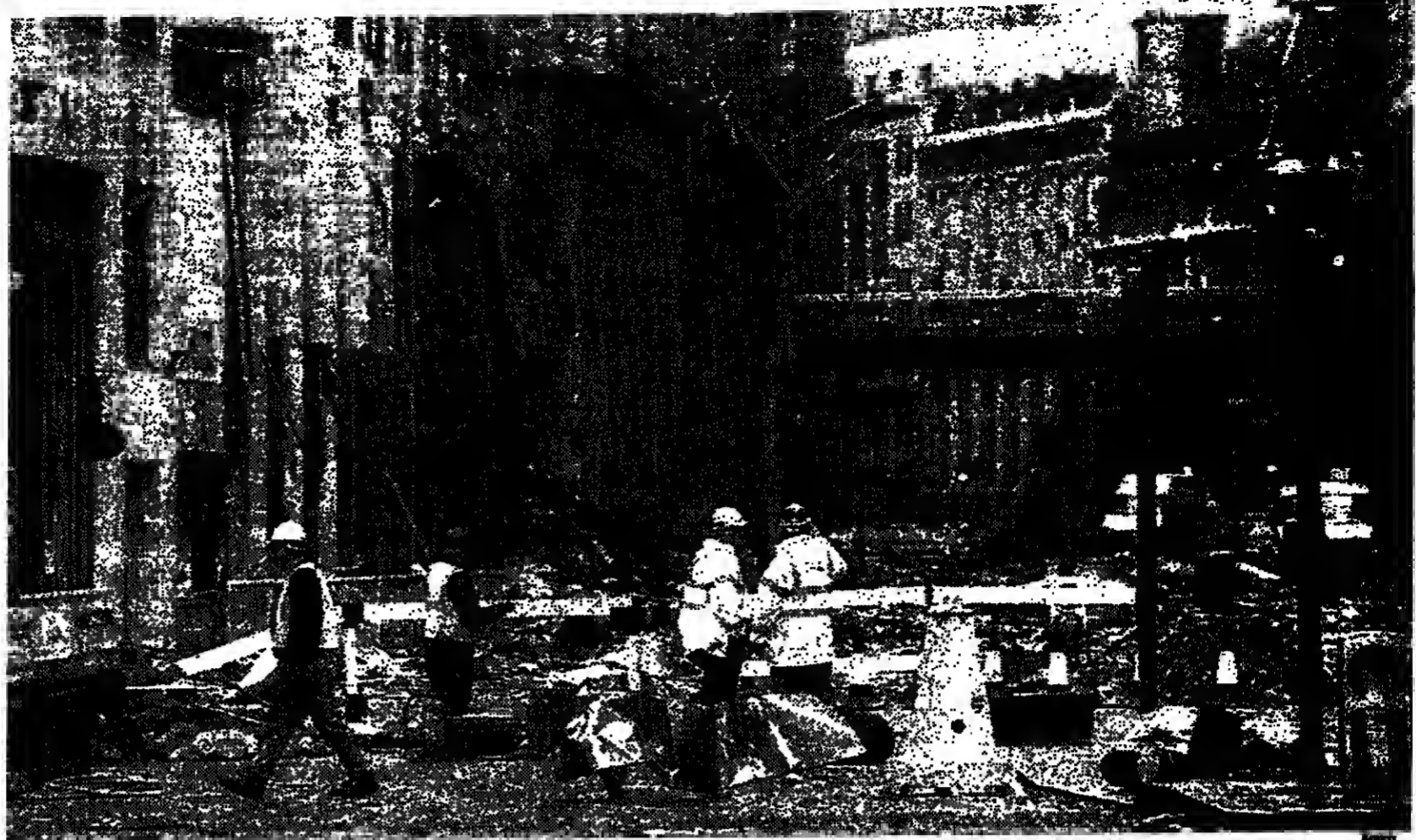
In 1952, he left the French Navy and joined the police in Morocco, where an independence movement was also stirring. In 1956, he was accused of taking part in an attempt to assassinate Pierre Mendès-France, the Radical Socialist prime minister who ended France's involvement in Indochina. Though he was later acquitted, Mr. Denard spent 14 months in jail.

Back in France, he found a job as a salesman, but he was restless. In 1961, learning there was a need for experienced soldiers in what was then the Belgian Congo, he signed up to train Moïse Tshombe's troops, who were fighting for the independence of Katanga, now Shaba Province in Zaire.

From then on, Africa and its troubles became his life. He was badly wounded in Zaire in 1967 and still limps. Years later, fighting for the other side in another Zaire uprising, President Mobutu Sese Seko made him a colonel.

"There was the adventure," he said. "There was also the money, though not a lot. But there was also some idealism. We had our code of ethics, our code of honor. We never committed acts of terrorism, never killed innocent civilians. We had our own rules but also the laws of the country where we worked."

He insisted that he never saw his role as defending whites or "civilizing" Africa. "That was the excuse for colonialism," he said, "and so many mistakes were made. If we have lots of African immigrants here today, it is because we took their raw materials and never created jobs. Now we're paying for it."



London workers beginning the cleanup Sunday. Near-normal operation of the financial district is expected Monday, although the worst-hit buildings will be off-limits.

LONDON: IRA Claims Responsibility for a Bombing That Guttered the Heart of the City

(Continued from page 1)

quarters of the Hongkong & Shanghai Banking Corporation. Most companies said they were arranging for alternative office space and that they did not expect any major disruption to any essential parts of their business.

Officials from the Corporation of London, the local government for the area, set up a center to match businesses with available office space, and the telephone company established a help line for

companies needing phone and other telecommunications services to keep their operations going.

The IRA has apparently sought in recent years to do as much economic damage as possible with its bombs, successfully detonating a large blast last spring amid the skyscrapers of the financial district and failing in another effort last autumn to blow up a portion of Canary Wharf, a huge new development in the London docklands.

Initial estimates of the damage from Saturday's bomb ran as high as \$1.5 billion. But the Association of British Insurers said early estimates could prove to be "widely inaccurate."

The group noted that the initial assessment from last spring's blast in the City, which caused extensive damage to the Baltic Exchange building and other nearby offices, was also \$1.5 billion.

The cost of the repairs proved to be less than a third of that. Some of the cost this time is expected to be borne by insurance companies and by the Lloyd's insurance market. But much of the price tag may be paid by the British government, which earlier this year agreed to step in as an insurer of last resort for the many building owners who were finding it impossible or prohibitively expensive to get coverage against a terrorist attack.

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7 Slain in ANC-Inkatha Clash At Funeral in a Natal Village

JOHANNESBURG — Seven people were killed Sunday when African National Congress supporters shot two Inkatha Freedom Party members at a funeral vigil and mourners chased the attackers, killing five of them.

A police spokesman said two mourners were killed and eight wounded at the Natal Province village of KwaMbonambi when gunmen attacked mourners at a vigil for an Inkatha regional leader. Calliphus Dlamini.

who were identified as ANC supporters, and killed five of them on Sunday morning.

Mr. Dlamini was shot outside his house last week.

The bloodshed occurred a day before South African negotiators were scheduled to meet outside Johannesburg to discuss the country's transition to democracy.

Negotiators said they were confident that they could soon reach agreements to curb political violence, avert economic ruin and set the country on the road to majority rule.

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The bloodshed occurred a day before South African negotiators were scheduled to meet outside Johannesburg to discuss the country's transition to democracy.

RUSSIA: Strong Vote of Confidence for Yeltsin Expected in Referendum

(Continued from page 1)

and the margin of error of the poll is likely to be somewhat greater than in the United States. The poll was based on interviews with 8,000 voters in a representative sample of 100 polling places across Russia.

The referendum did not directly ask voters to express their confidence in the congress, whose five-year term is not due to expire until 1995. In answer to a supplementary exit poll question, however, the voters interviewed expressed "no confidence" in the congress by a margin of almost 3 to 1.

Mr. Yeltsin, who won 57 percent of the vote during the presidential elections in 1991 against five rival contenders, has said that he plans to sign a package of decrees Monday on political and economic change. One option open to the president is to try to circumvent the congress by convening a Constituent Assembly to adopt a new constitution with the approval of the various republics that make up the Russian federation, but this would almost certainly provoke strong resistance from legislators.

Mr. Yeltsin, 62, appeared to be

in good humor as he cast his vote in a central Moscow polling district soon after polls opened. As he waited for his wife, Naina, to emerge from the polling booth, he said jokingly that she was probably crossing out the "yes" in answer to the first question that asked: "Do you have confidence in the President of the Russian Federation, Boris N. Yeltsin?"

Although roughly half the voters surveyed in the exit poll said that they and their families were better off under communism, less than one in four wanted to return to the

Raid Vowed On Norway Whale Hunt

By Joe Kirwin
Special to the Herald Tribune

OSLO — Norway faces violent and possibly costly protests as it prepares to launch the world's first commercial whale hunt in six years.

Radical ecology groups such as the U.S.-based Sea Shepherd threaten to attack the whaling ships as they leave harbor in a few weeks, while environmental organizations such as Greenpeace are organizing a consumer revolt against Norway, including a boycott of the Lillehammer Winter Olympics next year.

ASYLUM: System Overwhelmed

(Continued from page 1)

The nation's asylum officers were hired in 1991 to revise a Cold War system that was often cruel and capricious. No asylum law existed until 1980, and no regulations defined the law until 1990. In their absence, the process was politicized.

"People fleeing from communism had an open door, but people fleeing death squads run by our friends could not enter," said Maurice Roberts, who has been an immigration official for 25 years.

BAGEL: With Cinnamon?

(Continued from page 1)

marketing requires does toy with perfection," said Marilyn Bagel, author of "The Bagel Bible" (Globe Pequot, 1992), which she wrote with her husband, Tom Bagel (Bagel is their real name.) But she added that the softer texture and diminished crust that are characteristic of mass-produced bagels must be weighed against the increasing accessibility.

Still, the soaring availability of bagels makes her fear the future. Bagels, she whispered, could become a new Wonder bread.

George Rosenbaum, who analyzes food trends for the Leo J. Shapiro Co. in Chicago, said Mrs. Bagel's concern was well grounded. "A bagel is a doughnut with the sin removed," he said. "If you can become a doughnut, or a doughnut proxy in the fast-food market, you are no longer an ethnic food. You are as American as pizza."

Perish the thought, say bagelites. The object of their desire has long been called "a cement doughnut," and purists relish the characteristics that make the title well-earned.

But others assert that industrial innovations have improved bagels. "The cement doughnut was extremely chewy and dense," said Mr. Wirtz of the American Baking Institute. "But it was limited. All you could do was eat it. The softer bagels are more versatile. You can make sandwiches, little pizzas, even slice them and bake them to eat like taco chips."

To traditionalists, the softness of modern bagels seems a metaphor for the softness of modern society. These bagels, they say, aren't merely emblematic of fading conservatism; they also represent a significant and worrisome shift in political and economic life that should be redressed legally.

The demise of the traditional bagel way of life has been furthered by additional ingredients. Spot Bagel in Seattle offers blueberry swirls. Bagel and Bagel in Kansas City can't bake enough whole-wheat honey bagels. Raisin and cinnamon bagels, egg bagels, even cheddar cheese bagels are becoming commonplace.

But Mr. Waxman said innocent citizens should be protected. "This kind of perversion," he proclaimed, "should be prohibited by law."

IRAQI KILLED AT ISRAEL BORDER

The Associated Press

JERUSALEM — Troops shot and killed an unarmed man dressed in civilian clothes trying to enter Israel from Jordan, the army said Sunday. Army radio identified the man only as a 27-year-old Iraqi.

The reason for the attempted infiltration was under investigation.

BRIDGE

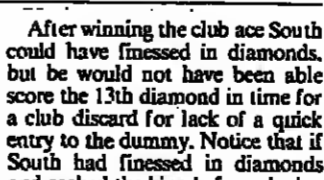
By Alan Truscott

THE Multi Two Diamonds opening is commonplace in Europe but restricted in the United States. It cannot be played on the first day of many national events, but is allowed on subsequent days when the nerves of the opponents are assumed to be stronger.

The Multi was used on the diagrammed deal by James Griffin and Ken Schutze of Austin, Texas, who were en route to a victory in the North American Pairs in Kansas City, Missouri. Two diamonds suggested a weak-two bid in one of the major suits, and his pass of the two-heart response showed that his suit was hearts. West subsequently "raised" to three hearts, and pushed his opponents to three spades.

West led the heart king, which was allowed to win. Another heart went to the ace, and a diamond was led. Griffin, as East, now found the only route to a successful defense. He put up his ace and made the key play by shifting to the club nine.

This was covered by the ten, queen and ace, and the declarer was helpless. He chose to lead to the spade ace and continue the suit, and West took spade winners and led another club. The defense was now sure of five tricks.



Neither side was vulnerable. The bidding: East: 2 ♠, South: 2 ♥, West: 2 ♣, North: 3 ♠. Pass Pass Pass Pass. West led the heart king.

DIRECTORIA

INTERNATIONAL CONVENTION FOR DIRECTORS OF LOCAL AND REGIONAL AUTHORITIES

MEET THE EURO MAKERS

DIRECTORIA '93 is an EConvention in Brussels to encourage links between local and regional authorities and it offers the opportunity to meet private companies whose services, advice and know-how represent the cream of the European ideal.

DIRECTORIA '93 is a unique opportunity for local and regional authorities to broaden their network of essential contacts throughout Europe.

To be held in Brussels, the heart of the EC, the event will unite the 500 main local authority directors for the first time.

This will enable the development of joint projects between authorities across the continent, where tangible benefits and savings can be achieved.

When a delegate decides to attend DIRECTORIA '93, they fill in a form for their local authority (economic data, assets) and the priorities which are of concern to them — this form will be the delegates' dossiers they will receive after registration.

companies of the local authorities, and send their choices.

All the choices of meetings of all the participants are then processed by computer to establish a personal schedule for each delegate.

DIRECTORIA '93 also includes plenary seminars run by the European Commission covering the following:

- **First Plenary Seminar.**
- Regional policies and co-ordination in Europe: Trends and Prospects, Mr. Eneko Landaburu, Director General of DG XVI
- Networks of Experience: Exchanges in the field of Regional Development, Jean-Charles Leygues, Manager of DG XVI

Speakers: Charles Grey, Chairman of RETI, Council of Strathclyde, Vice-Chairman of CCRE; Christian Lavigne, Chairman of EURADA (European Association of Development Agencies); Hinrich Lehmann-Grube, Lord Mayor of Leipzig; Henri Le Marois, Chairman of EGLEI (European Group for Local Employment Initiatives).

DIRECTORIA '93

Brussels, June 2 - 3 - 4, 1993
An opportunity for you to meet 500 Directors of local and regional authorities.

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- a schedule of meetings, arranged individually for each participant, fixed with local or regional authorities, representatives of the EC programmes and specialised international experts
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Second Plenary Seminar

"Local development, Partnership and subsidiarity", Carmelo Messina, Head of Division DG XVI
Speakers: Eithne Fitzgerald, Irish Minister of State for Finance; Pasquale Margalli Mira, Lord Mayor of Barcelona, Chairman of CCRE; Jean-Pierre Rafarin, Member of the European Parliament, Chairman of Poitou-Charentes Region; Jorge Sampaio, Lord Mayor of Lisbonne, Chairman of EUROCIOTES.

• **Final Address:** Mr René Steichen, Member of the commission responsible of Agriculture and Rural Development.

Round table discussions on specific themes will also be held during convention.

In addition, DIRECTORIA offers the chance to meet the representatives of 40 private companies which offer Europe wide services in the fields of:

- national and regional development
- specialised services
- general services

In each of these areas the companies are capable of improving the management, living conditions, organisation and development of local authority.

ADVERTISING SECTION

ADVERTISING SECTION

MALAYSIA

POWERHOUSE OF THE '90s

The Economy Catches Its Breath Before the Next Leap Forward

Malaysia is no longer the land of the future. The future, in many ways, has already arrived. This is a country where executives' drivers are buying their own cars, shopping malls are crowded and rural folk are enjoying a standard of living their grandparents' generation could not even imagine.



Integration of past and present is Malaysia's touchstone: a developing economy that is striving to keep traditional foundations firm. Photo PIX S.A.

There is a solid, convincing feel to Malaysia's economic success. The economy has grown slightly more slowly of late, causing economic planners, who hope to use the period to consolidate gains, to breathe a sigh of relief. Growth was 8.5 percent in 1992, despite global contraction, down from 8.7 percent in 1991. It averaged 8.9 percent between 1988 and 1992, leading the region.

The ranks of the middle class are swelling. Per capita GNP was 7,403 ringgit (\$2,858) in 1992, up from 5,065 ringgit just five years ago; unemployment was pegged at a negligible 5.4 percent in 1992.

The diversification and sophistication of the economy is reflected in the growing percentage of GDP accounted for by manufactured goods: 29.3 percent in 1992. Last year, the country achieved a trade surplus of \$1.5 billion. At 8 percent, Malaysia has one of the lowest debt-service ratios in the region; its foreign reserves of \$18.9 billion are equivalent to 4.5 months of imports, and inflation has been held to 4.7 percent. If inflation can be held down, domestic interest rates are expected to drop by 100 to 150 basis points from the

current 9 percent to 7 percent or 8 percent. Foreign direct investment worth 10.4 billion ringgit flowed in during 1992, and domestic companies are expanding.

The economy is not unsinkable — those who are still licking their wounds from Malaysia's 1985-86 recession will attest to that. Traffic, power shortfalls, a tight labor situation and the challenges of combating inflation, controlling the possibly

8 percent GDP growth predicted for 1994

overheated real-estate sector, regulating rapidly evolving capital markets and keeping cities green are enough to keep planners from resting on their laurels.

Some say the stability of Malaysia's democratic institutions has led to economic prosperity. Others say it is the other way around. Either way, Prime Minister Mahathir bin Mohamad has made the economy a rallying point for Malaysia's people, a mix of Malays, Chinese and Indians. Detailed plans for the country's development include "Vision 2020," which calls for the country to be fully developed by the year 2020. "Outline Perspective Plans," the National De-

velopment Policy and five-year "Malaysia plans."

The current economic crusade began after a brief but serious depression in 1985-86 as prices of tin, crude oil and other commodities important to Malaysia's economy plummeted. Since then, emphasis has been placed on adding value to the country's natural resources, revising monetary policies to set the stage for financial reforms and an extensive privatization program, which has resulted in the privatization of Telekom as well as Tenaga, the national electrical power utility. Between 1992 and 1995, 57 agencies are to be privatized.

Kuala Lumpur's stock market has become the largest in Southeast Asia, with a capitalization of almost \$100 billion, largely due to the privatization program. Telekom and Tenaga together make up about 20 percent of the market's capitalization. Fully computerized, the exchange is watched over by a new regulatory body, the Securities Commission, which came into being on March 1.

In an effort to attract foreign investors, a complete slate of investment incentives has been put in place. The drive to attract investment has been almost too successful:

the country's infrastructure, the envy of other developing countries in the region, has been strained.

Power outages have blotted the country's otherwise sparkling power infrastructure record. Worried government planners have expedited projects, nudged negotiations that could make private power generation a reality and scurried to reassure the public with plans to raise installed capacity from the current 5,700 megawatts to 14,000 megawatts by the year 2000. There are plans to increase the use of gas from 25 percent to 65 percent and to reduce the use of coal and oil from 59 percent to less than 10 percent.

A stickier problem has to do with Malaysia's labor force. As this country of 17.7 million moves from a developing stage to newly industrialized status, one growing pain is the inevitable shortage of workers for labor-intensive and agricultural work. Labor shortages, particularly in the agricultural sector, have led to higher labor costs, which threaten

Malaysia's competitiveness as an exporter of agricultural commodities such as rubber, palm oil and cocoa. This has highlighted the urgency of the government's plan to expand manufacturing and lessen the country's dependence on agriculture and mining.

As the country's workers move from plantations and mines to factories, workers can be brought in from heavily populated Indonesia to take their place, but this will come at a social and political price. There are also questions as to whether the country's well-trained but small work force will be able to keep up with demands placed on it by the growing manufacturing sector. The Malaysian government has carefully focused its foreign-investment campaign on attracting high-tech, relatively low labor projects for this reason.

After labor, the fight to keep inflation from swallowing the gains of growth is the country's biggest challenge. This calls for a tricky balance

between monetary and fiscal policy. Tight monetary policies over the last two years have had some success in keeping inflation down, but have caused interest rates to go up. This has attracted large inflows of foreign capital and led to the appreciation of the ringgit, which has made Malaysian exports less competitive.

Inflows of foreign funds have also caused considerable liquidity, making the control of inflation all the more difficult. Bank Negara, Malaysia's central bank, appears to have used a substantial portion of its special reserves to mop up excess liquidity, according to private economists and money-market analysts who reviewed Bank Negara's 1992 balance sheets.

While most analysts predict a continued mild slowdown in Malaysia's growth to about 7.5 percent in 1993, economic improvement worldwide is expected to lift Malaysia's 1994 real GDP growth to between 7.9 and 8.5 percent.

Teresa Albor

What Malaysia Has to Offer Investors

N. Sadasivan, director-general of the Malaysian Industrial Development Authority, took a break from preparations for Malaysia's five-country European trade mission April 26-May 12 to discuss the goals of the mission and foreign investment in general. MIDA is the government's principal agency for the promotion and coordination of industrial development in Malaysia. Potential investors can obtain all approvals required at the federal level for setting up manufacturing projects, integrated agricultural projects and hotels and tourism projects from MIDA. It is also responsible for the evaluation of technical, joint-venture and other licensing agreements.

With Malaysia's already high levels of foreign direct investment, why send a trade mission to Europe at this time?

We are keen to attract investment from Europe, because we are trying to diversify our sources of investment. At present, about 70 percent of our foreign direct investment comes from Asia; the rest is from the United States and Europe. We would like to see about 40 percent come from Asia and about 60 percent from the United States and Europe. We certainly do not intend to establish quotas or turn any investment away, but this gives an idea of why we are aggressively promoting Malaysia in Europe. Europeans have expertise in metalworking and machining — engineering in general — and this is exactly the type of investment we are interested in attracting. In Europe, these companies are often small, family operations. They are unlikely to be aware of the potential of Malaysia. This mission is to give them information so they might consider this part of the world.

Why should European countries choose to expand operations in Asia when they have the opportunity to expand in East European countries?

Companies always want the greatest return on their investment, and that is what we think Malaysia offers. Political stability, quality of life and the low cost of operations are all part of the package. Investment inflows indicate that this opinion is shared by investors. In addition, Malaysia could be a European company's gateway to the Asian Free Trade Area, which is in the process of being implemented. We have road and rail access to Thailand and Singapore, which, together with Malaysia, represent a market of 80 million of AFTA's 340 million consumers.

All countries in the region offer European companies access to AFTA. While this is certainly one good reason to move to Asia, why would a European company choose Malaysia over its neighbors?

On the balance, we have a better investment package than any other Asian country; taking into consideration

the quality of life, the work force and infrastructure, the environment for doing business is superior here. Over the last 25 years, the industrial sector has been developed to the point that our people are conditioned to working in industry. The female participation in the work force is 45 percent; every sector of our working population is engaged in industry. We pride ourselves on the ability of our workers to adapt to new technologies. And English is widely spoken here.

Why should foreign investors interested in medium- and high-technology projects choose Malaysia over Singapore? Doesn't Singapore have more experience in this area?

The overall cost of doing business in Malaysia is lower than doing business in Singapore. And our auxiliary industry sector is more extensive and growing all the time. For example, there are three plants that produce television picture tubes in Malaysia and only one in Singapore. Further downstream, there are two glass plants capable of making the glass needed for picture tubes in Malaysia. In Singapore, on the other hand, there is only one.

Why have Asian countries — Taiwan and Japan specifically — been the leaders in terms of foreign investment in Malaysia?

Asian countries have been the major players, perhaps because they are our neighbors. We may have been sending out signals that we were primarily interested in Asian investors. Also, Asians seem to make decisions faster. We won't say "no" to investment from Asia; we recognize the competition for foreign direct investment is great, but we aim to broaden the base.

There has been some concern expressed about the ability of Malaysia's power generation and distribution infrastructure to keep up with the expansion of industry. Is Malaysia in for the same sort of problems in keeping up with development as have been experienced by some of its neighbors?

Since the 1950s, infrastructure development has been spread throughout the country, so our rural areas have had better infrastructure than the rural areas of other countries in Asia. We have a larger number of developed urban areas, unlike Thailand, for example, where industry is centered around Bangkok. Thus, industrial investment here has not had the effect of oversaturation. We have spread our development throughout the country. There has been some shortfall of electricity — not in terms of generation, but in terms of supply. Over the last four months, we have initiated several generation and distribution projects. We are on top of the situation and

Continued on Page 11

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FASCINATING MALAYSIA



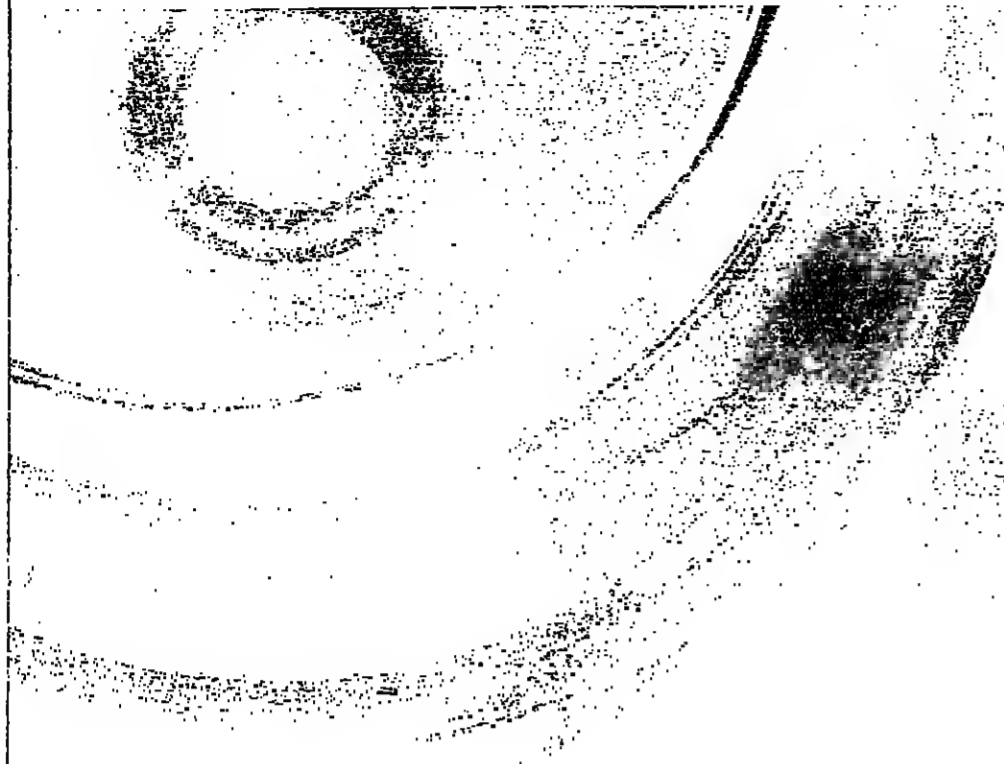
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TOURISM MALAYSIA

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Teresa Albor is a free-lance financial journalist who covers Southeast Asia. • Christopher Kuffel is a Hong Kong-based journalist. • Joseph R. Yogerst is a free-lance journalist based in Singapore.



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HAS PUT US.

INFLIGHT RESEARCH SERVICES

Inflight Research Services of London recently conducted a review of 31 airlines' First Class products and services. The final rankings and total percentage points are:

1.	Malaysia Airlines	62.3
2.	Singapore Airlines	60.0
3.	Japan Airlines	58.2
4.	Cathay Pacific	57.7
5.	KLM	56.8
6.	Swissair	56.3
6.	Thai Airways	56.3
8.	All Nippon Airways	54.9
8.	American Airlines	54.9
10.	South African Airways	53.8
10.	Qantas	53.8
10.	United Airlines	53.8
13.	Emirates	53.0
13.	British Airways	53.0
15.	Gulf Air	52.5
15.	Sabena	52.5
17.	Air France	50.8
18.	Kuwait Airways	50.4
19.	Air Lanka	50.0
19.	Delta Air Lines	50.0
19.	Korean Air	50.0
19.	Northwest Airlines	50.0
19.	TWA	50.0
24.	Philippine Airlines	48.8
24.	Pakistan International	48.8
26.	Iberia	48.0
27.	Turkish Airlines	47.5
28.	Alitalia	46.2
28.	China Airlines	46.2
30.	Garuda Indonesia	45.9
31.	Air India	45.2

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ADVERTISING SECTION

ADVERTISING SECTION

Promoting Awareness Of Investment Incentives

The competition for investment has never been stiffer. Developing countries must offer more to investors who have less to invest. The number of players has increased as the move from centrally planned to market-based economies opens up new areas, such as Eastern Europe and Vietnam, to Western investment.

Says Rafidah Aziz, Malaysia's minister of international trade and industry: "The economic interlinkages of the global economy dictate that business entities must continually seek out competitive and comparative advantages for manufacturing and trade in order to remain ahead of competition."

Malaysia's trade mission will have to make a case for Malaysia as a base for investment, not only as an alternative to Europe, but also as an alternative to other developing countries, especially its neighbors in Asia. The country's assets are many:

Industrial land: \$2.70 to \$62 per square meter

low labor costs and high productivity; an attractive regulatory framework and tax incentives; liberal, market-oriented economic policy; political stability and smooth labor relations; and high growth in domestic and regional markets.

A recent study found that the most frequently mentioned positive aspects of investing in Malaysia by current foreign investors are the high motivation and qualification of staff on all levels, from trained workers to management level executives; trouble-free labor relations; excellent infrastructure, including telecommunications, energy, transport, water and electricity; and the flexible and business-oriented administration, which investors described as efficient and "clean."

Investors also mention the excellent economic outlook of the region and the encouraging development of all regional markets.

Nevertheless, while Malaysia has had great success in attracting Asian investment, the record for attracting investment from Europe is not as good. Government officials suggest that it is a matter of awareness.

"It is important that potential investors from Europe come to see for

themselves the opportunities and potential in Malaysia, and quickly avail themselves of these opportunities," says Mrs. Aziz. "It makes good economic sense to have one strong foothold in Europe and one equally strong foothold in Asia. And Malaysia can effectively provide the base for the Asian foothold."

Malaysian trade mission representatives say they plan to promote Malaysia as strategically located at the center of the East Asia and the Association of South East Asian Nations regions, where economic growth has been robust over the last decade, surpassing that of developed countries. The ASEAN market alone — which includes Malaysia, Indonesia, the Philippines, Brunei, Thailand and Singapore — has about 340 million people, an emerging consumer market that could become as large as that of the European Community or the United States. Malaysia will be promoted as a distribution and supply center to service the ASEAN and regional markets, or as a manufacturing or assembling base.

"Just as Malaysians should view European countries as an important gateway into the European market," says Mrs. Aziz, "so should European business and industrial communities view Malaysia as an important gateway into the markets of ASEAN and East Asia."

To set the stage, Malaysia has put in place liberal policies regarding foreign equity participation. Key features include allowing foreign equity in the manufacturing sector from a majority share up to 100 percent foreign ownership of projects. Employment of expatriates is permitted where Malaysians are unavailable to fill positions. To safeguard the interest of investors, the policy allows for certain key posts to be permanently filled by foreigners. The country also has liberal exchange-control regulations. Companies can bring in funds for approved



The high quality of the work force is frequently cited by investors.

projects, remit profits and repatriate capital freely.

There are over 170 developed industrial estates and 12 free zones that cater to the needs of export-oriented and high-tech manufacturing companies. The price of industrial land, depending on location, ranges from 7 ringgit to 161 ringgit (\$2.70 to \$62) per square meter.

To attract investors, Malaysia offers a comprehensive set of fiscal and nonfiscal incentives. If an investor is interested in a targeted sector or activity, specific incentives could represent substantial tax breaks.

General incentives include the granting of pioneer status to companies engaging in "promoted activities," which includes tax relief of up to 100 percent in some cases, investment tax and reinvestment allowances. Incentives for export include an export credit refinancing scheme, which provides for short-term credit at preferential rates of interest; abatement incentives; an export allowance; double deduction of export credit insurance premiums and promotion of exports; and an industrial building allowance.

Incentives are also offered for research and development; training; industrial adjustment; small-scale companies; the storage, treatment

and disposal of toxic and hazardous wastes; and for establishing operational headquarters in Malaysia.

Besides these incentives, the government has a tariff protection program in place for deserving industries and allows an exemption from import duty on direct raw materials and components. A drawback of excise duty on parts, ingredients or packaging materials as well as a drawback of sales tax on materials used in manufacture can save investors overhead they might have to pay elsewhere. Likewise, the government offers an exemption from import duty and sales tax on machinery and equipment.

Foreign investors praise Malaysia for the efficiency of the government agencies with which they deal. The primary agency is the Malaysian Industrial Development Authority, or MIDA, which receives, processes and conveys decisions concerning investment for the entire federal bureaucracy, making the agency a "one-stop shop" for the investor. MIDA is also responsible for the evaluation of technical, joint-venture and other licensing agreements and provides a variety of services for investors, from locating joint-venture partners to finding accommodations. T.A.

European Trade Mission Highlights Low Costs

European investors in Malaysia expect their costs to be less than in Europe, but many are surprised to discover how much less. A recent study found that operating costs in Malaysia were 60 percent lower than for similar businesses in Germany in some cases. That is just one advantage.

A 1992 study by Gesellschaft für Forschung und Entwicklungsprojekte mbH (GFE) concluded that production costs in the light and precision engineering sector in Malaysia were significantly lower than in Germany. Labor, investment, operating expenses, land, buildings and local sourcing of materials, supplies and subcontractor services cost from 90 percent to 10 percent less than the going rate in Germany.

While this study looked specifically at engineering and made comparisons with Germany, results would be similar for other countries and sectors. Compared with most European countries, Malaysia offers a drastic reduction in labor costs, lower investment costs, comparable operating costs and lower costs for locally sourced materials.

But investments from Europe to Malaysia have not kept pace with investment flows from other Asian countries. Malaysian government officials blame this on the global recession and themselves, suggesting they have not had an aggressive enough campaign in Europe to convince businesses there of Malaysia's remarkable cost-effectiveness.

In 1990, European investments in

Savings of up to 90% in some areas

Malaysia accounted for only 9 percent of the country's total foreign investment, while Asia and the Pacific region accounted for 85 percent. In 1991, European investments dropped to only 6.8 percent of the total, but in 1992, due to some large projects in the oil-refining sector, Europe's share rose to 36.5 percent. Malaysia Industrial Development Authority officials say they would eventually like to see Europe contribute a steady 30 percent of foreign investment, along with 30 percent from the United States, while the other 40 percent would come from the region.



Rafidah Aziz, minister of international trade and industry.

The current Malaysian trade mission to Europe will visit the Netherlands, which invested \$54 million in 1992 with six projects; Belgium, which had no investments in 1992 and two in 1991 amounting to \$7 million; Denmark, with two projects worth \$5.6 million in 1992; Germany, with \$28 million in investments in 1992 divided among 12 projects; and Switzerland, which in 1992 accounted for seven projects worth \$31 million.

Mission organizers say they are seeking medium- to high-tech projects that suit the maturity of Malaysia as an industrializing nation.

Says Rafidah Aziz, minister of international trade and industry: "Malaysia has graduated out of the category of a cheap labor country and is now established as a profitable manufacturing base for capital and technology-intensive industries that place a premium upon easily trainable and skilled workers with high productivity levels."

These types of projects comprised the case studies and cost calculations of the GFE study, which shows that metalworking, engineering and machine-building projects in Malaysia have low production costs, 20 percent to 50 percent lower than German cost levels depending on the labor cost content of the products and the cost of locally sourced materials and components. T.A.

Tenaga Nasional Berhad (TNB) is Malaysia's power house. A public listed company licensed for the generation, transmission and distribution of electricity supplying about 97 percent of the Peninsula that has propagated from an unpretentious beginning. Whilst gearing towards TNB's long-term perception of Vision 2020, Malaysia has made another impact in the world economic emergence, again by setting examples to other nations in the South-East Asia Pacific region as well as the world in entirety. It is, a *fait accompli*, that Malaysia's productivity is exceptional and her wages are reasonable, thus enabling her competitiveness in international trade. Achieving a rate of nine per cent growth, Malaysia's Gross National Product has reached a high of RM 2,465 per capita (USD 1.00 = RM 2.65), three times its worth six years ago.

Privatisation is Malaysia's means of access to the portentous economic inflation, and TNB governs the market capitalisation handsomely among the various tabulated corporations listed in the Kuala Lumpur Stock Exchange (KLSE). TNB's listing on the KLSE in May 1992 was the highest offer in Malaysia's corporate history. Subsequently, all eyes were set on Malaysia. Profits in the making and taking stimulated investors from around the globe to study Malaysia's earnestness in international business. TNB's position as an existing force and prime source of sustenance throughout the Peninsula has placed the country in the forefront again. TNB plays the cardinal role in the economic development of Malaysia, by providing the necessary infrastructure and continuously meeting clients requisitions for electricity safely, reliably and economically whilst meeting the needs of the shareholders.

The electrical power system operated by TNB is vertically integrated. It covers the three principal components of electricity supply - generation, transmission and distribution. TNB's 14 major power stations in the Peninsula have an installed capacity of 5589 MW. The company has diversified the generation mix to reduce dependence on imported fuel by augmenting Malaysia's natural resources of gas, coal, oil and hydro. TNB has also enhanced the utilisation of gas supplied by Petronas, Malaysia's national oil corporation as it is more environmentally propitious.

TENAGA NASIONAL BERHAD - MALAYSIA'S ELECTRIC KEY TO WORLD ECONOMIC EMERGENCE



TNB's total installed capacity in 1992 at 5652 MW chalked up revenue sales of RM4089.8 million, an increase of 16 per cent over the previous year. Profit before tax more than doubled to RM1414.7 million while fixed assets stood at RM14,966.8 million.



Dr. Anil bin Arora, Executive Chairman, Tenaga Nasional Berhad

competitive and indigenous, hence reducing forex exposure in raw material sourcing. TNB has enhanced the usage of gas from vacuum in 1980 to 32 per cent in 1992 whilst oil has been reduced from 61 per cent in 1970 to a low 39 per cent in the same year.

The main voltage level of TNB's transmission systems are 275kV, 132kV and 66kV. The 132/275kV spans the whole of Peninsular Malaysia with a close loop, connecting the major load centres to power stations forming the National Grid. TNB's transmission system is interconnected with the Electricity Generating Authority of the Kingdom of Thailand and the Public Utilities Board of Singapore. These interconnections ensure optimal manipulation for the respective utilities and also provide mutual support during exigencies.

The distribution system of TNB covers voltages of 33kV and below. The network is divided into six regions - North, Perak, Selangor, Federal Territory, South and East with a total of 115 customer service stations.

With over 3.3 million clients extensively codified as residential, commercial, industrial, mining and public lighting to serve, TNB has developed a broad and reliable power system and is confident for the uncertainties ahead. The industrial sector encompasses 51.7 per cent of TNB's total sales whilst the export zone takes up only 0.4 per cent of the total sales in GWh - whereas the domestic sector encircle 87.4 per cent as to 0.31 per cent of the industrial belt in relation to the number of customers.

For the Financial Year ending 31 August 1992, TNB is faring exceptionally well. TNB's total installed capacity in 1992 at 5652 MW chalked up revenue sales of RM4089.8 million, an increase of 16 per cent over the previous year. Profit before tax more than doubled to RM1414.7 million while fixed assets stood at RM14,966.8 million.

With electricity being client preferred to other natural resources, the demand for electricity has a tendency to grow at a faster rate than growth in GDP which is attributed to the rapid growth in industrial sector, demographic factors and technological changes. In Malaysia, the economic boom is being led by the industrial sector for which the utilisation of electricity is highly commanded. TNB is undertaking various projects to meet increasing demand. By the end of the Sixth Malaysia Plan, TNB expects to increase installed generating capacity to

approximately 8500 MW. In the last six months, TNB has been endowed with the challenge of demand exceeding supply during peak hours. However, it is estimated that the impact of these shortages on earnings is not material as the amount of demand lost has been negligible. All possible measures have been taken to rectify the situation and the tightness of the system is expected to be only a short-term matter.

The immediate steps taken to overcome the current situation are expediting the maintenance and repair works, quick planting-up programmes, reviewing and also speeding up the decision-making process.

In the short-term, TNB's plans to launch its *Fast Track Programme* from August 1993 to August 1994 with the objective of improving the current supply situation in the shortest time possible. This programme involves the planting-up of gas turbines of 1500 MW at the existing power stations. By the end of 1993, TNB hopes to increase the reserve margin to above 35 per cent as admonished by the Government's Consultant due to the recent power failure which coalesced it into careful and analysed production. TNB anticipates that by the end of the current year, 600 MW will be added to the current installed capacity of 5589 MW.

TNB's mid-term plans call for the installation of 28 new generating units at the various existing power plants throughout the Peninsula from now until 1997. These new installations are expected to create an additional capacity of 2500 MW.

On the long-term effort to meet the rapidly growing demand, TNB has put up an aggressive development plan which covers up to the year 2000. By then, TNB will add another 8800 MW into the system making a total installed capacity of 14600 MW. The reserve margin in the year 2000 will be expanded to more than 42 per cent. The high reserve margin is due to the introduction of more efficient plants which would allow the scheduled and unscheduled shut-downs and retirement of old and inefficient plants.

On the advent of the Independent Power Producers (IPPs) and in line with its Mission Statement, TNB supports the Malaysian Government policy of introducing positive competition in the industry that had previously been totally monopolised. However, TNB is expected to remain a monopoly in the provision of transmission and distribution services. The emergence of IPPs in a highly capital intensive industry of this nature would complement with TNB's responsibility for generating electricity. It would also lessen the financial burden of TNB to plant-up and the savings in capital expenditure could be used to further improve the other aspects of the Company's operations. This would further enhance TNB's performance and efficiency.



TNB also plans to set up joint venture companies with the few State Governments in Peninsular Malaysia to accretely build, own and operate power plants based on the concept of Associated Power Producer (APP). TNB views this APP synergistic arrangement as a platform that will bring together the needed resources of land, equity and expertise which are not totally available from any single source.

With the climacteric foreseen electricity augmentation and the competition in the electricity supply industry, TNB will arise again to face the challenges in the near future by providing electricity supply reliably and economically whilst maintaining her profitability. While electricity supply is expected to remain TNB's core business for the foreseeable future, the Company will consider opportunities for diversification into areas with good earning potential such as property development.

On the short-term prospect for TNB, the outlook is favourable in view of continuing strong demand growth contributions from withdrawal of discounts, soft fuel prices and a more stable loan basket. Through aggressive treasury management moves, TNB has been able to reduce its exposure on foreign exchange.

Today, that dream of being a service-oriented entity, providing value for money and duty bound as an environmentally responsible corporate citizen, as well as an attractive investment scope, has materialised. TNB's goals of being acknowledged through their quality of operation and clientele service as the most attractive *profiter* in the industry as well as a secure and reliable supplier of

Exchange Aspires To Global Status

There is a long line to use the computer in the lobby of Malaysia's Shangri-La Hotel to check stocks listed on the Kuala Lumpur Stock Exchange. For those in a hurry, there is always the telephone — a voice announcement service gives current share price information to callers. There is also a slightly delayed ticker on television as well as weekly television, radio and newspaper series on "saham," or "stocks."

Since 1990, when ties to the Singapore exchange were cut, the pace of listings has made the Kuala Lumpur Stock Exchange (KLSE) a serious market, the largest in Southeast Asia. Malaysians from all walks of life are investing, although institutional buyers still dominate. Market capitalization is close to \$100 billion; only South Korea, Taiwan, Hong

Privatization has boosted the bourse

Kong and Japan outweigh the KLSE in Asia.

Malaysia's strong economic performance and the slim pickings in other regional markets are factors that have pushed the KLSE's composite index to record levels. The index broke the 650 level on Nov. 3, 1992 (surpassing the previous record of 635 set in May of 1991) and reached 660 on Nov. 9 before backing down.

Privatization has also boosted the bourse. When the giant Telekom Malaysia and the national electric company Tenaga were listed in May 1992, they added 50 billion ringgit (\$19.3 billion), or 25 percent to the market's total capitalization.

On March 1, Malaysia's new Securities Commission (SC) came into being — just in time, according

to analysts, to rescue Malaysia's fragmentary regulatory system from losing whatever grasp it had on the booming equity market.

Prior to the establishment of the SC, four agencies were involved in regulation and policy: the Registrar of Companies (ROC), the Foreign Investment Committee (FIC), the Capital Issues Committee (CIC) and the Takeover Panel (TOP). The CIC and TOP have been superseded by the SC, but the ROC will continue to have some responsibilities, and the FIC has been left untouched for the time being.

"There is [bound to be] resistance to change in the bureaucracy, but the new Securities Commission Act is clear: the SC is intended to be the authority over the securities and futures industry," says the country's first Securities Commission chairman, Mohamad Muar Abdul Majid.

Mr. Muar, 45, has an impressive, eclectic background that includes lecturing at the London School of Economics, being editor in chief of the New Straits Times and, since 1986, chief executive of Commerce International Merchant Bankers Bhd. Last year, he was the third-ranked merchant banker in Asia, according to



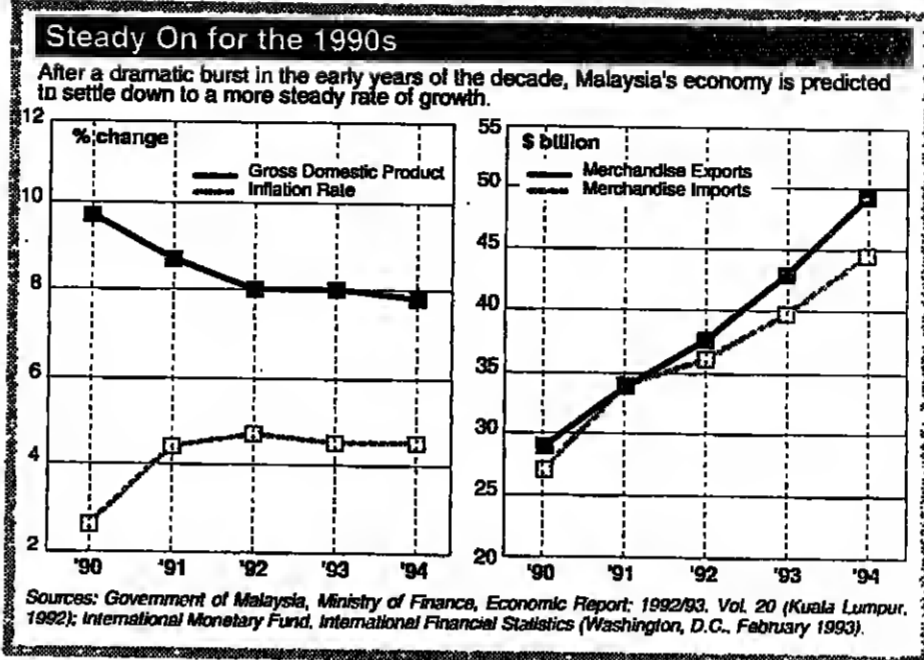
Asian Money and Finance. This is his first brush with the public sector.

He is recruiting his staff from both the private and public sectors.

Meanwhile, the move to fully computerize the KLSE is ongoing. Scriptless trading has been initiated and will be gradually phased in, while conversion to complete automatic trading took place late last year.

"When compared to other developed markets, we are learning," says Saleh A. Majid, the general manager of the KLSE. "We have a simple mission: to be a world-class stock exchange."

Foreign buyers seem impressed. In 1992, foreign investors were net purchasers (23.3 billion ringgit purchases against 20.7 billion ringgit sales), and heavy foreign interest is expected to help certain companies reach the statutory 30 percent limit of foreign ownership. Most foreign brokers watching Malaysia expect the index to reach 700 and predict per-share earnings growth of 14 percent to 18 percent this year. When adjusted



for inflation, this could mean real earnings per share of 10 percent. Earnings growth was about 20 percent in 1991, and 14 percent in 1992.

"With the proposed reduction in the corporate tax rate to 34 percent and the abolishment of the 2 percent development tax, we are revising upward our earnings estimate to 14.7

percent in 1993," writes Gary Tan of Merrill Lynch and Co. "Positive economic outlook, respectable corporate earnings growth and stable government warrant additional weighting in the market."

Malaysia is also expected to set up an options and financial futures exchange in the near future with the

passage of the Futures Industry Act on March 1.

"What will happen next?" asks Mr. Muar. "These are exciting times. Professional money managers will come in; over the next five years a lot of new products will be around — we will have to make sure investors are protected."

T.A.

Investors Favorable To Budget Changes

Investors have reacted positively to Malaysia's 1993 budget, which calls for more fiscal accountability. In fact, the budget was well-received across a wide spectrum of interests.

Malaysia's 1993 budget is clearly anti-inflationary, provides for modest cuts in personal and corporate tax and puts emphasis on infrastructure and improved revenue collection, but does not include substantial additional taxes, which had been expected. Instead, food subsidies and other measures were included to fight inflation, which was expected to decline marginally to 4.5 percent in both 1993 and 1994, according to Asian Development Bank economists.

The budget also abolished a development tax of 2 percent on foreign investment.

The Kuala Lumpur Stock Exchange's composite index soared a record 637.13 points on Oct. 29, based on advance news of the budget, which was made public the next day.

The budget calls for conservative fiscal operations reflecting Malaysia's cautious economic management, a strategy that many experts believe is partly responsible for the country's sustained growth.

The total expenditure of 44 billion ringgit (\$17 billion) represents a decline of about 8 percent from the 1992 budget; operating expenditure has been set at 32.3 billion ringgit (8.4 percent lower than 1992), and development expenditure is set at 11.8 billion ringgit (7.4 percent lower than 1992).

The Malaysian government's emphasis on continuing to improve the country's infrastructure, already superior to that of many of its neighbors, is reflected in the budget.

There will be expenditure on large projects such as the new 20 billion ringgit airport, facilities for the upcoming Commonwealth Games and the 6 billion ringgit north-south highway.

Work will begin on a light railway transit system this year. The project is being carried out on a build-operate-transfer basis with European companies, which will hold a 60-year concession on the railway before turning it over to the government.

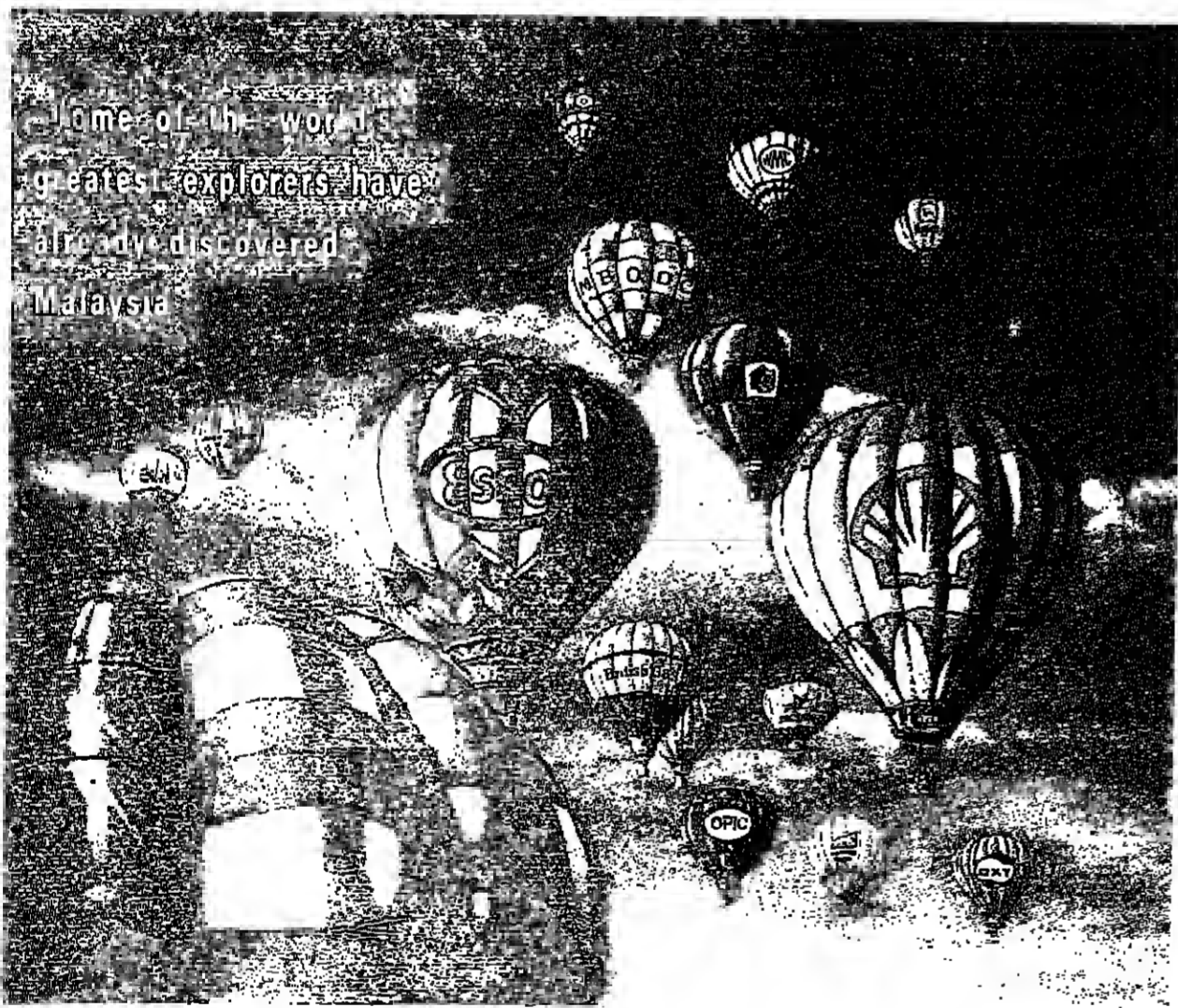
Federal government revenue is expected to increase to 39.1 billion ringgit in 1993, from 38.1 billion in 1992. The extra funds are to come from various sources, such as a 5 percent levy extended to cover services and the doubling of excise duties on cigarettes and alcohol.

The employment provident fund contribution is to be increased by 1 percent for both employers and employees.

The government, however, has chosen to give corporations a break and has lowered corporate tax rates from 35 percent to 34 percent and has also lowered individual income taxes.

Clearly, one of the goals of the budget is to rein in inflation. Because a shortage of certain domestic foods was thought to have fueled inflation in the past, a 300 million ringgit fund has been established for credit facilities to finance food production. Import duties on 600 items are to be abolished or reduced by 10 percent to 30 percent.

T.A.



In the early days when Malaysia was known as the Garden of Chersonese, seafaring explorers and traders came to her shores in search of silk and spices.

Today, the search continues. Some of the world's largest and most successful international oil companies are busy exploring for hydrocarbon in Malaysia.

PETRONAS, as Malaysia's national oil corporation, has to date signed more than 30 production-sharing contracts with a good

mix of international oil companies. Those who have been here for some time have found Malaysia a good place to do business.

Our plus points, we've been told, are our professionalism and our very positive attitude towards foreign investment as well as our country's political stability and good infrastructure.



MBf CAPITAL BERHAD 1992 RESULTS

FINANCIAL HIGHLIGHTS	
For the year ended 31st December 1992	
	RM (Million)
Turnover	1,065
Profit Before Tax	166
Per share	RM
Earnings	0.15
Net Tangible Asset	1.01
At year-end	RM (Million)
Issued & Paid-up Share Capital	739
Loans & Advances	6,772
Deposits	7,918
Assets	9,879

No comparative figures are shown as this is the first year of operations.

Financial year 1992 marked the birth of MBf Capital Berhad, the financial services arm in the MBf Group of Companies. The range of financial services includes term and consumer loans, deposit taking, hire purchase, project financing, negotiable certificates of deposits, block discounting, mastercard, mastercard travellers cheque, stockbroking, leasing, factoring, insurance, venture capital, unit trust and trustee services. MBf Capital Berhad was listed on the Kuala Lumpur Stock Exchange (KLSE) on 15th January 1993.

MBf CAPITAL BERHAD

Incorporated in Malaysia
Registered Office: 21st Floor Plaza MBf, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Tel: (603) 2618000, 2616513 Fax: (603) 2618005, 2613280



مركزنا الأصل

ADVERTISING SECTION

ADVERTISING SECTION

Sustainable Management Is Major Concern For Forestry

The tropical forests of Malaysia are among the best-managed in Asia, according to international forestry experts. Malaysia, which together with Indonesia accounts for 80 percent of all tropical timber exports from Asia, recognizes that sustainable management of its forest resources is both an economic necessity and an ecological responsibility.

Malaysia has developed a set of forestry policies that balance environmentalism and industry, but this initiative may go unappreciated if Western countries are able to restrain forest product trade. Malaysia would face problems with its export of hardwoods if a well-meaning but indiscriminating campaign to discourage consumers from purchasing products made from any species of hardwood, regardless of the process used to harvest it, is successful.



Theory (left) and practice (right) at the Forest Research Institute Malaysia, one of the leading forestry institutes in the world.

The governments of several Western countries are considering unilaterally restricting imports of timber and wood products from developing countries that have not grown their trees in "environmentally friendly" ways. But restrictions, tariff increases and the requirement to label all tropical wood products as such are expected to also penalize countries, such as Malaysia, that have made great strides in sustainable forestry management.

"I am not against labeling," says Salleh B. Mohamad Nor, director-general of the Forest Research Institute Malaysia, one of the world's leading forestry institutes. "But labels can be discriminatory. And if the idea is to label some wood as coming from 'sustainably managed' forests, who is to judge what is 'sustainable'? Mechanisms have not yet been developed to determine whether a piece of tropical wood comes from sustainably managed forest or not, as the process of conversion from trees in a forest to logs to lumber to finished product is a complex one."

The move is also questionable in light of the consensus at last year's Rio Earth Summit that multilateral

solutions are needed for environmental problems. Furthermore, it is not clear whether the General Agreement on Tariffs and Trade allows for such mandatory labeling.

Such a campaign does not recognize the subtlety of the tropical hardwood crisis: solutions to deforestation, some industry sources say, do not necessarily include banning all commercial uses of forest resources. To do so would have a serious negative effect on the economies of developing countries.

Timber imports will cost Asia \$20 billion by 2000

"If you don't harvest, trees die anyway," says Mr. Salleh, who has a doctorate in forestry from Michigan State University and is president of the International Union of Forest Research Organizations. "There is a 2 percent mortality rate per annum, even without intervention. Management enhances the productivity of the forest by removing old trees and allowing young trees to grow vigorously. A dynamically growing forest is good for the global environment because it absorbs more carbon than a mature, overgrown forest."

There is no question that deforestation in Asia has continued at an alarming pace. One-third of Asia is covered with forest, but the proportion is shrinking fast. On the basis of current trends, half the original 725 million hectares will be gone by the turn of the century, according to the World Bank. By 1980, these had already dwindled to about 460 million hectares. Between 1981 and 1985, forests vanished at the rate of about 2 million hectares a year, with the most dramatic declines in India, Nepal, the Philippines, Sri Lanka and Thailand.

Timber has long been an important export for many Asian countries. Forest products generated export revenues of \$8.25 billion in 1988. But, according to the World Bank, Asia is increasingly becoming a wood-deficit region. Based on current trends, imports of timber and forest products will cost the region nearly \$20 billion a year by 2000. In the past, based on the seeming-



ly inexhaustible supply of timber, many Asians felt that forests should contribute to economic growth via logging and conversion to other productive uses. But over the last 15 years, there has been a dramatic shift in attitude. Today, many Asian governments have taken note of the clear implications of continued deforestation and have taken action. For example, the three countries that have accounted for nine-tenths of the region's log exports and revenues — Indonesia, Malaysia and the Philippines — have all restricted log exports. Countries have also adopted other laws that ensure a balance between the conflicting goals of forest policy.

Despite gloomy predictions for the future of Asia's tropical forests, there are ways to slow or reverse the trend. These solutions do not entail a total cessation of the timber trade. Instead, scientists advocate sustainable forest management that couples commercial use based on selective cutting with conservation. Experts say it is possible for Asian timber-producing countries to carefully reassess forestry and land-use policies to ensure that future timber removals will be adequate to supply the needs of both export and domestic markets in a sustainable way.

While there is no set definition of sustainable forestry management, such a program would include bringing unplanned deforestation under control; protecting previously logged forests so that regeneration can proceed unhindered; improving the legal and physical protection of forests in national parks and biosphere reserves; developing and introducing more sustainable systems of forest management than the present selective logging system; and continuing to establish intensive high-quality hardwood plantations, according to Alan Grainger, a scientist who has studied forestry trade extensively

and who is the author of "The Future Role of the Tropical Rain Forests in the World Economy."

"The basic concept is to sustain the resource through time, for the sake of and use by future generations," says Mr. Salleh.

As early as 1966, Malaysia instituted a Land Capability Classification Program. Of the country's 33 million hectares, about 20 million hectares, or 60 percent, is forest and 4 million hectares is covered by plantation-tree crops such as rubber. The rest is used for other crops or is occupied by urban areas.

Of the 20 million hectares of forest, over 70 percent is classified as a permanent forest reserve (subject to sustainable management), 11 percent as national parks, wildlife and bird sanctuaries or protected forests, which are not touched. The remainder is state forest, which is available for conversion to other uses. Recently, Malaysian Prime Minister Mahathir bin Mohamad announced that Malaysia would maintain at least 50 percent of its land as forest — this means not all state forests will necessarily be converted.

The Sungai Tekam forestry concession, a commercial sustained-yield logging concession located in Pahang, West Malaysia, has been the site of various studies. It is not part of a protected area. The forest is a typical hill forest of which 3 percent to 5 percent is not logged. Undisturbed patches at Sungai Tekam are used as concentrated food sources by various birds such as hornbills and great pigeons, but these birds also range widely over logged areas. Studies are continuing at the site but results so far indicate that few species are lost by logging 18 trees per hectare, which results in a total removal level of 51 percent trees removed.

Powerhouse Conference On Trade And Growth This Fall

Malaysian Prime Minister Mahathir bin Mohamad will head the list of speakers at a major forum on trade and investment opportunities in Malaysia to be held in Kuala Lumpur Nov. 15-16, 1993.

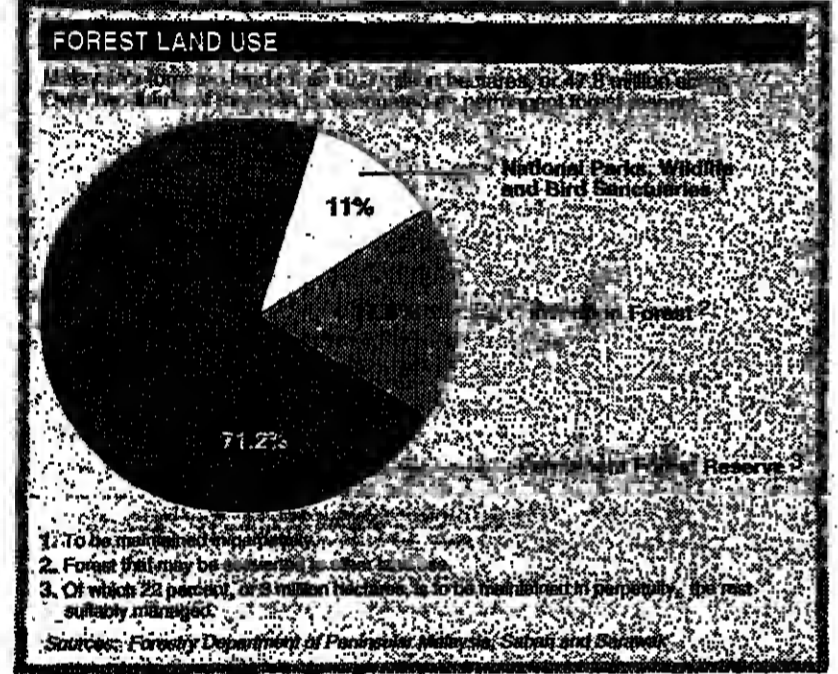
The conference will coincide with the completion of the Malaysian government's current trade and investment missions to Asia and other areas around the globe. Among subjects to be covered during the two-day event at the Shangri-La Hotel are investment potential, import-export policies, economic deregulation, denationalization and privatization. Other topics include fiscal and mon-

Roundtable talks with trade officials

etary incentives and Malaysia's role as a hub for international trade.

On the agenda are roundtable discussions with senior Malaysian government officials, including International Trade and Industry Minister Rafidah Aziz, Finance Minister Anwar Ibrahim and Primary Industries Minister Lim Keng Yaik, as well as plenary sessions with private-sector industrialists.

Top management personnel from the business and financial sectors of Malaysia, as well as political leaders and senior media correspondents, will be in attendance. The conference is being organized by the International Herald Tribune in cooperation with the Malaysian Industrial Development Authority (MIDA) and the Institute of Strategic and International Studies (ISIS). For information contact Justin Smith at the IHT conference department in Hong Kong. Fax: (852) 861-3073. Joseph R. Yogerst



What Malaysia Has to Offer Investors

Continued from Page 7

expect to have solved the problem by the end of the year. In addition, the first phase of the Peninsular Gas Utilization Project is completed; natural gas resources from the north now reach Johore in the south via a pipeline. The second stage — getting the gas across to the west coast — is ongoing. The project is on schedule, and there are no problems. The major factor that caused the power problem was unexpected large inflows of investment. It's a pleasant situation to be in.

What has happened with Malaysia's privatization efforts? Is privatization on schedule?

Yes. In fact, it is through privatization that we are solving the power problem you just mentioned. Tenaga Nasional Bhd, our national power company, signed an agreement last month with a private construction and property company allowing the company to build, own and operate two power stations with a combined maximum capacity of 1,170 megawatts. This company will be Malaysia's first independent producer of power. Tenaga, in fact, has been recently privatized. It is now only 70 percent owned by the government and is listed on the Malaysian stock exchange.

What does MIDA have to offer the investor? What could a European company expect if they contact MIDA for assistance?

MIDA can solve problems for potential investors. For example, smaller companies often lack the capital to start operations here. We can seek Malaysian joint-venture partners for foreign investors. We maintain a list of Malaysian firms seeking foreign partners. We can cut down on the bureaucracy for investors. MIDA has what we call a "one-stop shop" where we handle all the paperwork. We also have Italian, German and French staff assisting with everything.

MIDA Contact Numbers:
Paris, Tel.: (33 1) 47 27 66 96. Fax: (33 1) 47 55 63 75
Cologne, Tel.: (49 221) 124 007. Fax: (49 221) 136 198
Milan, Tel.: (39 2) 66 98 46 14. Fax: (39 2) 66 98 47 49
Stockholm, Tel.: (46 8) 679 5990. Fax: (46 8) 611 3190
London, Tel.: (44 71) 409 0411. Fax: (44 71) 493 8804
New York, Tel.: (1 212) 687 2491. Fax: (1 212) 490 8450
Chicago, Tel.: (1 312) 787 4532. Fax: (1 312) 787 4769
Los Angeles, Tel.: (1 213) 621 2661. Fax: (1 213) 620 8659
Kuala Lumpur, Tel.: (60 3) 255 3633. Fax: (60 3) 255 7970 or (60 3) 255 0697. Interview by T.A.

MALAYSIA Powerhouse Of The Nineties

MALAYSIA HAS THE ABILITY TO COMPETE INTERNATIONALLY



City of Kuala Lumpur



Precision engineering: Malaysia's future direction



Weaver fabrication: Malaysia's technological capability



Computer manufacturing: Keeping pace with the best



Rubber-based goods: Indigenous technology at its best

A Strategic Location
Malaysia commands a strategic position in one of the most dynamic regions of the world: The Asia Pacific region.

Situated in the heart of Asia, Malaysia offers the perfect location for corporations seeking growth in the Asia Pacific region.

Political Stability
Since its independence in 1957, Malaysians have voted the same government into power through a democratic system.

A Strong Manufacturing Sector
▲ This sector achieved the highest growth rate of 21.7% per annum, with its contribution to GDP rising from 18.4% in 1980 to 28.1% in 1991.

▲ Exports of manufactured goods increased from 21.9% in 1980 to 65% in 1991.

The Result: A Strong Economy.
Malaysia has achieved consistent growth over the years. In 1991, Malaysia achieved a real GDP growth of 8.8% - one of the highest in Asia. Inflation is carefully controlled - currently a low 4%.

More advantages for the investor
▲ Incentives - Liberal incentives for investment are a pragmatic part of Malaysia's growth goals.

▲ Infrastructure - Malaysia is accessible to the markets of the world via an efficient network of airports and seaports, as well as through developed infrastructure facilities within the country. The

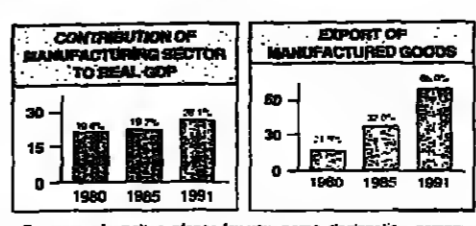
government plans to spend another US\$10 billion on infrastructure over the next five years.

▲ Skilled labour force - Malaysia has a labour force that is unmatched in the region. The workers are highly-skilled, well educated, productive and are proficient in English as well as other languages.

▲ Low Production Costs - A recent study shows that production costs in Malaysia are 30 - 40% less than in developed countries.

Where is the Potential?
The development of high-technology industry is Malaysia's goal for the 1990s. Potential also exists in the resource-based industries, the ancillary and supporting industries and the agro-based sector.

Make your investment profitable.
Indeed, some 3,000 international manufacturing firms are doing so right now, in Malaysia.



MISC

For more information, please fax your name, designation, company address etc. to:
Malaysian Industrial Development Authority (MIDA), Wisma Djarum, Jalan Semantan, 50720 Kuala Lumpur, Malaysia. Fax: 603-2550897. Tel: 603-2553633

MIDA London Tel: 408-0411 Fax: 493-8804	MIDA Cologne Tel: 124-007 Fax: 136-136	MIDA Stockholm Tel: 679-5990 Fax: 611-2190	MIDA Milan Tel: 36-2-68861886/68961839 Fax: 36-2-4702872
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ULTIMARK IN TRIBUNE

ADVERTISING SECTION

Climbing the Rankings of The World's Top Exporters

Malaysia and Britain have one thing in common: the same new car now showing the fastest-growing market share. It is the Proton Saga, Malaysia's national car and winner of the 1992 British International Motor Show Gold Medal.

Last year, Proton exported 18,800 cars, 16,423 of them to Britain. Of the nearly half a million Proton Sagas that have rolled out of the factory in Malaysia, more than 60,000 have been exported.

The Proton Saga, the result of Malaysia's National Car Project, is a good example of Malaysia's suc-

Exports in 1992 totaled \$40 billion

cess as a base for manufacturing. The National Car Program has produced an excellent-quality, affordable car and has spawned a booming domestic engineering and components sector.

Proton is also part of the reason Malaysia is moving quickly up the rankings of the world's top exporters. In 1992, Malaysia ranked 23rd, registering the third-highest export growth at 15 percent, behind Hong Kong's 20 percent and

China's 18.2 percent. The value of Malaysia's exports in 1992 was \$40 billion, up from \$35 billion in 1991, accounting for 1 percent of total global exports, according to the General Agreement on Tariffs and Trade's 1992 annual report.

Proton is a joint venture with the Mitsubishi Corp. There are plans to launch another "national car" company soon, which will also be a joint venture with a foreign car manufacturer.

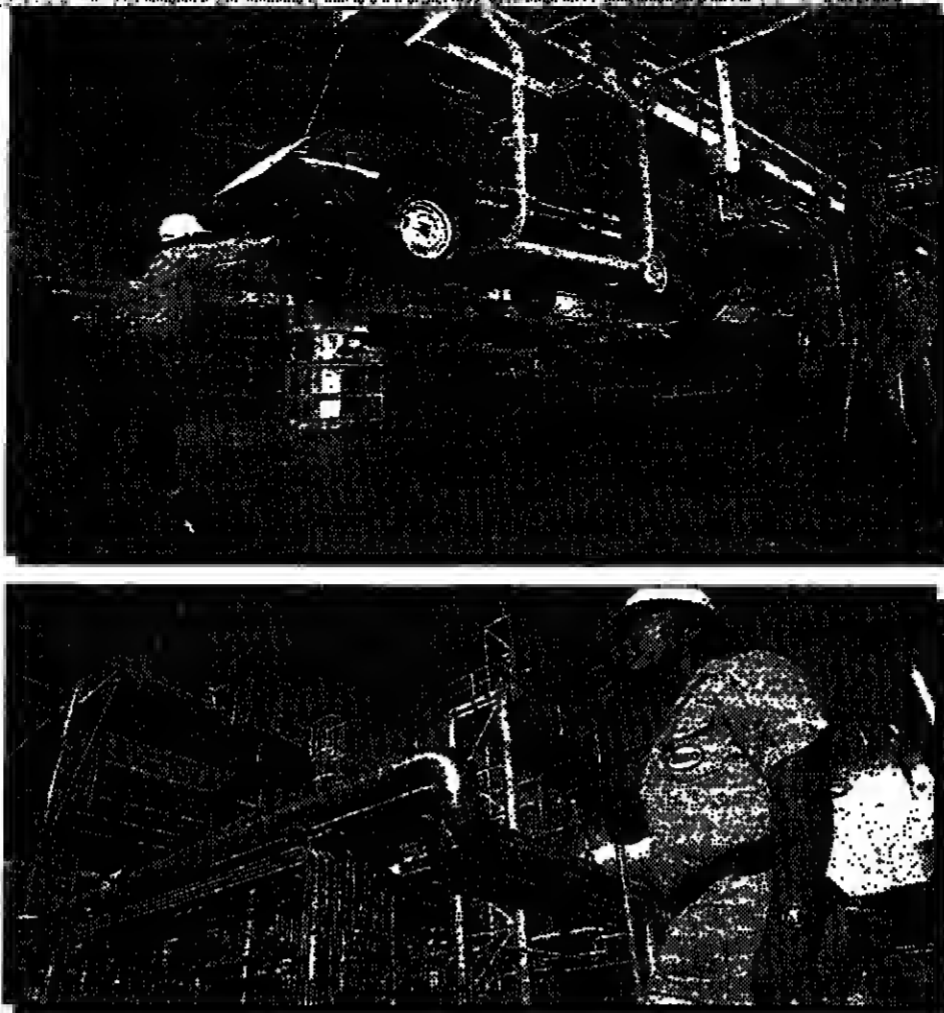
Since 1983, Proton has earned 67 percent of Malaysia's market for mid-sized cars, against hefty competition from imports. Now Proton is exporting successfully to over a dozen countries. Proton will soon produce a left-hand-drive car, expanding its export potential even further.

Initially, about 17 percent of the car's components were locally produced. That figure is now

up to 75 percent. The total number of component vendors has risen from 17 to 106.

"We not only wanted to produce a good quality, affordable car, but were also interested in spinoffs — engineering services," says Mohamad Nadzmi B. Mohamad Salleh, Proton's deputy managing director for corporate services. "We would like to see more European firms come in. Europe has the technology; we have the markets. Manufacturers can count on the domestic market and re-export their products."

The country's total exports are expected to increase by about 15 percent in 1993 and 1994, according to Asian Development Bank economists, provided the economies of industrialized nations continue to recover. Exports of manufactured goods and oil will benefit the most. Exports are expected to increase faster than imports and, at roughly similar ab-



Top: Proton Sagas roll off the assembly line. Above: a terminal for crude oil, one of Malaysia's chief exports.

solute levels, the trade balance is expected to improve to \$3.2 billion in 1993 and rise further to

\$4.8 billion in 1994. Besides manufactured goods, Malaysia exports crude petroleum, sawlogs,

rubber, crude palm oil and processed palm oil as well as tin and tin concentrates. T.A.

A Firm Advocate of Free-Trade Blocs in the Asian Region

Malaysia continues to be a strong voice advocating an Asian free-trade bloc. A trade grouping, say Malaysian officials, would provide Asian countries with a forum for discussing trade issues and counteract the effects of the North American and European trade agreements.

Malaysian Prime Minister Mahathir bin Mohamad has been a central figure in the implementation of the ASEAN Free Trade Area (AFTA) and a leading proponent of the controversial East Asian Economic Caucus (EAEC). AFTA is a seminal effort to create a forum in Southeast Asia for trade issues. The agreement links the Association of South East Asian Nations (ASEAN) countries of Malaysia, Singapore, Brunei, the Philippines, Thailand and Indonesia.

The Common Effective Preferential Tariff scheme is the main vehicle for supporting free trade among group members. After 15 years, member countries are required to slash tariffs to less than 5 percent. By the end of that time, AFTA should represent a market of 330 million people. By the end of the decade, the six nations may represent the world's largest economic region, with a combined gross domestic product of \$15 trillion.

When ASEAN launched AFTA on Jan. 1, members admitted the organization still had a long way to go. Citing the seven years of hard bargaining required to create Europe's single market, they have given themselves 15 years to remove regional trade barriers. Malaysian officials have expressed their frustration at the glacial speed of implementing AFTA agreements. They had hoped the group would take stronger measures and implement them sooner.

The country took the lead late last year when it slashed or abolished import duties on 600 products. The move,

announced as part of the 1993 budget proposals, would effectively reduce income from tariffs by \$166 million. Mohamed Sheriff Kassim, secretary of the Ministry of Finance, has gone on record as saying, "We can go to the GATT talks with our heads held high, as we have shown Malaysia is prepared to be more liberal in its trade regime."

The need for an ASEAN free-trade region has been thrown into relief by the creation of NAFTA and the

Formal agreements between members would open new avenues for trade

European Community single market. While ASEAN nations trade primarily with overseas markets, intraregional trade is on the rise. This growth makes the concept of a regional bloc more appealing. Also, by combining their efforts, ASEAN countries acquire more weight in debating trade issues with other regional blocs.

Observers argue that AFTA countries must develop other meaningful exchanges in order to make AFTA successful. Mr. Mahathir has already proposed greater cooperation in education, communications, distribution and labor agreements.

Even as AFTA lumbers toward the easing of trade differences between ASEAN nations, Mr. Mahathir's government has already proposed a larger and stronger

economic grouping. The East Asian Economic Caucus (EAEC) would bring together Asia's capital-rich newly industrialized countries with the labor-rich southern countries. The result would be a balanced Asian trade giant.

The idea was born prematurely, which was nearly responsible for its death. After suffering through the failure of the General Agreement on Tariffs and Trade talks in 1990, the Malaysian cabinet developed the idea of the enlarged grouping. The concept was released before potential member countries were consulted, resulting in bruised egos all round. Those injuries have since been healed, but an agreement still faces other obstacles.

If enacted, EAEC would include the six ASEAN nations as well as Japan, China, South Korea, Taiwan and Hong Kong. As Mr. Mahathir's vision of EAEC has become clear, some observers have lauded the concept. They argue that if the world is divided into trade blocs, the EAEC represents an opportunity for East Asian countries to band together to support common interests.

Much of the business infrastructure to support the union is already in place. Trade agreements between potential members would serve to strengthen these bonds and open new avenues for regional trade.

Proposed members have a balance that could aid future development. By including capital-rich Northeast Asia with manpower-rich and entrepreneurial Southeast Asia, the grouping could reinforce intraregional cooperation.

Mr. Mahathir said that, if adopted, the EAEC would be "a single voice from East Asia in the defense of worldwide free trade."

Christopher Kuffel

Business Briefs

• A new joint-venture insurance holding company brings together Sime Darby with the Paris-based AXA group. In Malaysia, the joint-venture group Sime East West Berhad will be known as Sime AXA, while in Singapore, Sime Shield Investment Holdings Pte. Ltd. will take on the name of AXA Sime. Said Claude Bebear, AXA's chairman, and Ahmad Yahaya, executive deputy chairman and group chief executive of Sime Darby, in a joint statement: "The combined strengths of Sime Darby and AXA will create a formidable regional insurance group that will provide the direction for the industry's growth in the near future." The new venture calls for AXA to increase its equity participation in Sime Darby's insurance business. AXA now holds a 50 percent stake in Sime Shield Investment Holdings Pte. Ltd., Sime Darby's non-life insurance business in Singapore, Hong Kong and Thailand, and a 30 percent equity stake in Sime East West Berhad in Malaysia. Sime Darby retains 50 percent interest in Sime Shield Investment Holdings Pte. Ltd. and increased its interest to 63 percent in Sime East West Berhad.

• Proton, the producer of Malaysia's national car, has announced the formation of Persatuan Pembekal Proton (PPP), or Proton Vendors Association. PPP is expected to facilitate interaction among vendors, Proton, the government and foreign investors. The formation of PPP follows the Quality, Cost and Delivery program initiated in March 1992, which aims to improve production methods, quality and safety for better productivity and faster delivery. Currently, 27 vendors are joint-venture companies, with partners from Japan, Germany, Taiwan, South Korea, Australia and other countries. There are 32 technical assistance affiliations between foreign countries and local vendors. Proton's pretax profit last year was 407 million ringgit (\$157 million) on a turnover of 2.2 billion ringgit. A total of 104,000 cars were sold,

surpassing the 1991 record of 87,700. More than 60,000 cars have been distributed to 17 countries since exports began in 1988.

• Tenaga Nasional Bhd. (TNB) has announced an aggressive development plan to increase the country's energy reserves from between 200 and 300 megawatts to a more comfortable level by 1994, and to raise them 50 percent by the year 2000. Recent power shortages as a percentage of electricity supplied have been negligible, according to Mahmud Badri Haji Basri, TNB's general manager (corporate services) and company secretary. The shortfall is a direct result of Malaysia's economic success, according to Mr. Mahmud, who said capacity would remain tight until 1994. The Malaysian government has expedited the building of power plants and has urged consumers to implement conservation measures. TNB also supports the government's policy of introducing competition through the Independent Power Producers scheme. In April, a power-purchase agreement between TNB and YTL Corp. Bhd., a large construction and property company, was signed. YTL could become Malaysia's first independent producer of power.

• The Horizon floor at the Shangri-La Hotel, Kuala Lumpur, is designed for executives who are constantly on the move. Check-in and check-out procedures have been simplified, a personal butler handles unpacking and pressing of clothes, tea and coffee making facilities are provided in the room and personalized stationery is available. A lavish complimentary American breakfast is served in a lounge exclusively for Horizon floor guests, who can also enjoy the use of a Jacuzzi and a fully equipped gym. The Shangri-La Hotel announced the appointment of Michael Brantlett as new general manager on March 8. He was previously general manager of the Shangri-La Hotel, Beijing. T.A.

European Financing Sources

Several financing institutions in Europe provide financial support for private companies interested in joint ventures in developing countries like Malaysia.

• **European Community:** The European Community Investment Partners (ECIP) scheme provides support for development of the industrial and service sectors of developing countries, including Malaysia. In Malaysia, the financial intermediary is the Commerce International Merchant Bankers Bhd (CIMB). Funding is provided by the EC, while CIMB acts as account manager and financial advisor to the joint venture. The program makes available four facilities. The first are grants of up to 100,000 Ecu (\$82,000) toward the cost of identifying potential projects and partners, and funds for general studies. The second is an interest-free advance of up to 250,000 Ecu for operations prior to launching a joint venture. The third is in the form of either an equity holding or an equity loan by the EC via a financial institution of up to 1 million Ecu to finance capital requirements needed to set up a new joint venture or to renovate or expand an existing project. The fourth facility is an interest-free loan of up to 250,000 Ecu for training and management assistance. Interested parties in Europe can contact the Commission of the European Communities, Directorate-General for External Relations in Brussels at tel. (32 2) 299 0204, fax (32 2) 299 0204. Interested parties in Malaysia can contact Harris Ahmad of CIMB in Kuala Lumpur at tel. (60 3) 261 3411, fax (60 3) 263 2386.

• **Italian Directorate General for Development Cooperation:** The Italian approach is to foster joint ventures as provided for in Article 7 of law no. 49/87, which provides for concessional loans to be given to Italian enterprises for the partial financing of joint ventures. Financing may be granted for a maximum of 70 percent of the share capital acquired by the Italian partner, up to a total of 10 billion lire (\$6 million). In Italy, enterprises seeking concessional financing under Article 7 can submit proposals to the Directorate General for Development Cooperation. In Malaysia, interested parties can contact MIDA's Italian advisor, Rosario Centola, at tel. (60 3) 255 3633, fax (60 3) 255 7970.

• **Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG):** DEG fosters cooperation between companies from Germany and other EC countries and those in newly industrialized countries. DEG's assistance takes the form of long-term loans, equity stakes in the capital of the project company, guarantees, assisting with securing additional financing from development banks and consultancy services. For more information contact DEG's consultant, Günther Piper, through MIDA in Kuala Lumpur at tel. (60 3) 255 3633, fax (60 3) 255 7970.

• **Danish Industrialization Fund for Developing Countries (IFU):** IFU specializes in financing joint ventures through the contribution of capital and information on sources of financing. IFU also provides grants for a Danish partner's first visit to Malaysia. The proposal can come from a Danish partner in Denmark or in Malaysia. Further information can be obtained from IFU's head office in Copenhagen, tel. (45 33) 142 575, fax (45 33) 322 524 or from its regional office in Malaysia, tel. (60 3) 248 9076, fax (60 3) 248 4379.

• **The Swedish Fund for Environmental Protection and Control:** This fund promotes the transfer of technology from Sweden. The fund is dispersed as soft loans to enterprises in the manufacturing sector for the acquisition of Swedish machinery and equipment for environmental projects. Activities include those that will reduce, recirculate, destruct or prevent emissions or discharge of residues or wastes that would be detrimental or hazardous to air, water and soil. The maximum loan is \$5 million; interest is fixed at 5 percent per year. The loan period is a maximum of eight years, including grace period. For more information, contact the manager, Business Development Division, Malaysian Industrial Development Finance Bhd, tel. (60 3) 261 1166, fax (60 3) 261 5973. T.A.

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Playing the Quality Game for a High-Tech Future

Malaysia's industrialization drive has been so successful over the past decade that despite population growth of 33.7 percent (to 17.5 million), the country still faces a labor shortage—a fact that is forcing the government to turn its attention from labor-intensive to high-technology industries.

"We are not blessed with people," says Yong Teck Ming, executive director of the Berjaya Group, one of the country's largest manufacturing and service companies. "And since we don't have quantity, we'd better play the quality game."

At the urging of Prime Minister Mahathir bin Mohamad, the government is trying to shift the focus of the Malaysian economy from its present concentration on cheap labor and low-tech industries to a higher plateau of invention and expertise in high-technology fields.

Finance Minister Anwar Ibrahim recently announced five sectors of priority in technological development: biotechnology, automatic manufacturing technology, ad-

to help promote our capabilities," says Mr. Tajudin.

The government recently broke ground on the Kulim High Tech Industrial Park in Kedah state, a 1,448-hectare site that will encompass a high-technology manufacturing zone, a research and development center, a university and polytechnic, a training and skills center, housing and a recreation center—an entire futuristic city that is being developed in conjunction with the Japan International Cooperation Agency.

Kulim is seen as the third leg of a

northern growth triangle that also includes Penang and Sungai Petani. Support for the park will come from the international airport, seaport and university in Penang and various industries in Sungai Petani.

Another huge high-tech project is Sungai Buloh, situated in the Klang Valley, 28 kilometers from Kuala Lumpur. The 1,600-hectare site will feature research and development facilities that are integrated with manufacturing companies, as well as homes and a botanical garden. The price tag is 1 billion ringgit, with the first phase to be completed by the middle of this year.

On completion of this project, the Selangor State Economic Development Corporation hopes that Selangor's contribution to the national GDP will increase from the current 54 percent to more than 60 percent by 2010.

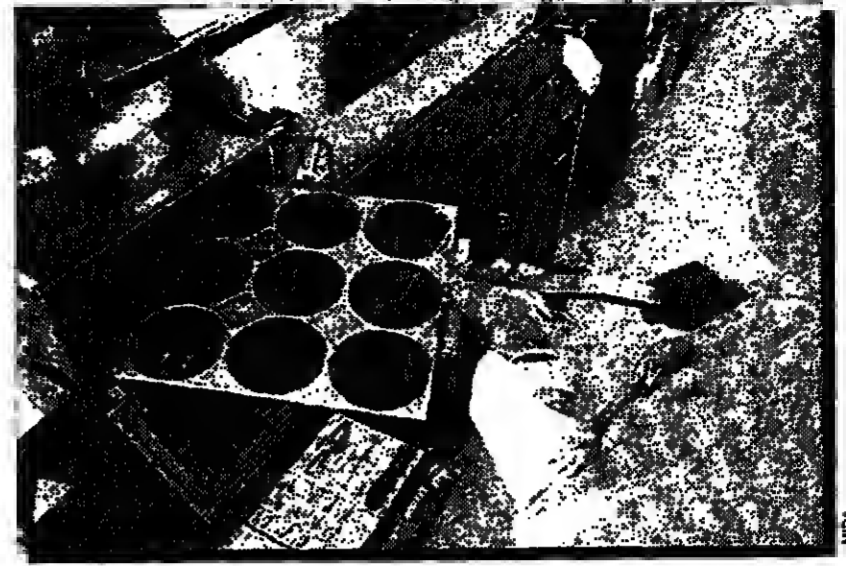
In Johore, an area that is said to be facing a shortfall of 20,000 workers

this year, there are plans for a Johore Technology Park, which will aim at concentrating on specific areas of high-tech industry not emphasized in the other Malaysian technology parks or Singapore.

Other parts of Malaysia are also doing their best to attract less labor-intensive industries. Malacca, for example, has announced that it will offer discounts of up to 50 percent on land leased for high-tech industries.

Malaysia realizes that to be an attractive center for high-technology industries, infrastructure must be a priority. The current budget includes a 12 billion ringgit allocation for the improvement of an infrastructure strained by years of rapid economic growth.

Within three years, the country will have a second telecommunications network with its own satellite and fully operational fiber-optic lines. This will allow private compa-



The wafers coming out of this oven are high tech.

nies now using the national telecommunications company to provide better and more sophisticated services.

"The switch to high technology is certainly on the agenda," says Yong Teck Ming of Berjaya. "It runs par-

allel to our programs for the eradication of poverty and an increase in average income. We are trying to bring about a whole new breed of people to run business and industry in Malaysia."

J.R.Y.

600 million ringgit has been invested in R&D

vanced materials, electronics and information technology. "It is technology which gives a country its competitive edge," said Mr. Anwar.

"In the past, we did a lot of putting together of high-tech products, especially computer parts and home electronics," says Tajudin bin Ramli, chairman of Technology Resources & Industries (TRI), one of the leading private telecommunications firms in Malaysia. "Now I think it's time to move on to the next step—we have to design things. It's a natural evolution."

To this end, some 600 million ringgit (\$232 million) has been designated to strengthen Malaysia's research and development institutions and to encourage collaborative research between these institutions, the private sector and universities. Malaysia intends to increase the national R&D expenditure from the present level of 0.8 percent of GNP to 1 percent by the year 2000.

But the government expects the private sector share of the expenditure to rise from 20 percent to 40 percent. "The private sector must work together with the government to capitalize on our advantages and

Inspired by the success of other Asian carriers, Malaysia Airlines has its sights set on becoming one of the industry leaders over the next decade by upgrading in-flight service and expanding its fleet and route network. At the same time, the airline will be trying to fend off increased competition from U.S. carriers by forging alliances with other Southeast Asian airlines.

"The airline industry is a tough one, especially now," says Kamaruddin Ahmad, managing director of Malaysia Airlines (MAS). "You have to do what you can to get an edge on the competition. But we are getting somewhere. Our staff has worked very hard over the last year and a half to improve service and find out what our customers want."

Malaysia Airlines is also spending money to retain its competitive edge. The airline will invest 10.3 billion ringgit (\$4 billion) over the next five years to acquire 72 new aircraft, replacing every plane in its international fleet except recently purchased 747-400s.

The acquisitions will be financed through a 1.75 million ringgit rights issue approved by the majority shareholders last August, and through bond issues, internal financing and loans. Company coffers are also flush with funds, with a 371 million ringgit profit for the financial year that ended March 31 on top of a 119 million ringgit profit in 1991-92.

The airline is adding to its already lengthy list of international destinations. A new service between Kuala Lumpur and Surabaya, the thriving Indonesian industrial city, kicked off on March 31. By the end of the year, MAS hopes to initiate flights connecting the Malaysian capital with Rome, Dacca in Bangladesh and Cebu City in the Philippines.

Frequency is being increased to a number of cities, including Sydney, Melbourne and London. Meanwhile, two additional Chinese destinations are in the cards.

MAS is upgrading its fleet with the latest in in-flight services and entertainment. Recent innovations include an in-flight satellite telephone service that can connect passengers with any point on the globe, individual video screens with a choice of six channels, a compact-disc-powered music system with stereo sound, and video games.

These high-tech services are currently available in the first and business class sections of flights linking

Kuala Lumpur, London and Sydney, but MAS hopes to have all 747-400s equipped by July.

"The passenger reaction has been very good so far," says Mr. Kamaruddin. "We have people calling in to see if their flight has these facilities. The next step is upgrading economy class with these features. After that, we are exploring the possibility of having a small in-flight business center with fax machines and laptop computers."

Competition from U.S.-based carriers on Pacific routes has forced many Asian airlines to re-examine their marketing strategies. Some have slashed fares, but Malaysia Airlines has decided to fight the competition through an unprecedented frequent-flyer alliance with regional rivals Singapore Airlines and Cathay Pacific.

The airlines are currently forming a separate company to administer the program, which should be operational by the end of this year.

"It's a sign of the times, I sup-



New destinations in Europe and Asia are being planned.

pose," says Mr. Kamaruddin. "We have to be realistic—frequent-flyer programs are very attractive to customers. But I believe that our program is more attractive than similar programs in America because our passengers will be able to make use of their passes on three different airlines."

Meanwhile, the airline is working actively with the Malaysian Tourism Promotion Board to increase the number of inbound visitors. Currently, their joint energy is focused

on a special promotion called Visit Malaysia Year 1994, which will feature many special events and promotions, as well as special airfares like the Visit Malaysia Pass, the aerial equivalent of a rail pass.

"We have adapted a strategy of directly supporting [overseas] tour operators," says Ahmad Bakri Shabdin, director general of the MTPB. "We're in the middle of an intensive sales blitz, bringing tour operators to Malaysia to see what we have to offer."

J.R.Y.

MALAYSIA Powerhouse of the 90s

A major international conference convened by the International Herald Tribune, the Malaysian Industrial Development Authority (MIDA) and the Institute for Strategic and International Studies (ISIS).

Prime Minister Dr. Mahathir Mohamad, Finance Minister Anwar Ibrahim, International Trade & Industry Minister Rafidah Aziz, and other key members of the Malaysian government will participate in this conference on "Trade and Investment Opportunities in Malaysia." The conference will take place in Kuala Lumpur on November 15-16, 1993.

The conference is co-sponsored by the above organizations

For further information, please contact

Brenda Huggery, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England. Tel: (44 71) 836 4802 Fax: (44 71) 836 0717

or

Jusain Smith, International Herald Tribune, 7th Floor, Malaysia Building, 50 Gloucester Road, Hong Kong. Tel: (852) 861 0616 Fax: (852) 861 3073

Herald Tribune

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As the second largest revenue earner, the timber industry in Malaysia also provides direct employment for 160,000 workers. Hence, it does not make sense for Malaysia to destroy her rainforest.

A boycott or other trade restrictions would only lessen the economic value of the forest and would result in increased forest clearing for other purposes. The main cause of deforestation is poverty, the result of slash and burn practices. Malaysia has successfully reduced the problem of rural poverty and shifting cultivation through an on-going systematic development programme.

As a developing country, Malaysia is totally committed to maintaining her forest and ensuring her forestry industry remains sustainable and viable for future generations. The government continuously improves its sustainable forest management through sound and prudent harvesting practices and conservation programmes.

Malaysia is fully aware of the fact that the world's forests are essential in preserving the delicate balance of the global ecosystem and requires a pragmatic global response.

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CURRENCY RATES

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CAPITAL MARKETS

French and German Issues Decline Despite Rate Cuts

By Carl Gewirtz
International Herald Tribune

PARIS — French and German bond markets sold off last week, despite the near continent-wide reduction in short-term interest rates sparked by the Bundesbank. Analysts said they saw the profit-taking in France as short-lived and expected the entire spectrum of interest rates to move lower — and prices higher — over coming months. In Germany, however, the outlook for further declines in long-term rates is less bright. Worries in Germany that recession could lead to a doubling of the 38 billion Deutsche mark budget deficit estimated last July and a perception that politicians are incapable of making the hard decisions needed to reduce the structural deficit, has left analysts doubting whether the yield on 10-year government bonds has much room to decline beyond 6.61 percent where it ended last week.

The best prospects for rising prices and falling yields is in France.

With long-term rates locked and very short-term rates likely to continue to be cut as the recession emerges, analysts predicted the German yield curve would steepen with short- and medium-term rates moving lower.

The best prospects for rising prices and falling yields is in France, with the franc now in a virtuous cycle: rising on the foreign-exchange market as domestic interest rates decline.

The franc ended the week at 3.376 per mark, a mere 0.66 percent below its central rate against the mark. Analysts expect the Bank of France to limit appreciation by using demand for the currency as an opportunity to speed up the reduction in interest rates.

The collapse of the risk premium the market had imposed on the franc has been dramatic. A month ago, three-month rates on the French franc stood 2.44 percentage points, or 244 basis points, above comparable German rates. By last week, this spread was down to 56 basis points and expectations here are that French rates can be maneuvered below German levels as long as confidence can be maintained in the stability of the franc-mark exchange rate.

However, France is expected to tread cautiously. There are concerns the crisis building against the peseta could widen to a system-wide problem, as could the upcoming votes in Denmark and Britain on approving the Maastricht treaty on European currency union.

The risk premium on long-term rates has also fallen, with 10-year French government bonds now yielding 50 basis points more than German government paper, compared with 68 a month ago. Analysts see this spread narrowing back to at least the historic low of 35 basis points. But, as in Germany, the largest gains expected from coming reductions in interest rates are expected to be reflected in short- and medium-term paper.

This was reflected in the response to Norway's issue of 3 billion francs. The five-year issue carrying a coupon of 7 percent and offered at a slight discount to yield 25 basis points more than French government paper was a blowout, with the spread subsequently narrowing to four basis points. An estimated 85 percent of the issue was sold to investors outside France. Norway swapped a See BONDS, Page 17

Speculators Lie in Wait for Peseta

Reuters

MADRID — The peseta was expected to come under renewed pressure Monday in a currency crisis that has added a new element to a close Spanish general-election race.

Speculation against the currency was rampant Friday as its value dropped. The Deutsche mark rose to 74.10 pesetas to from 72.77 Thursday. The peseta's fall came despite intervention by the Bank of Spain, and it was lifted only slightly by concerted support from European Community central banks.

Despite the assertion Saturday in Pamplona by Finance Minister Carlos Solchaga that the government would not change its economic policy or devalue the peseta, many analysts said over the weekend that another devaluation was likely.

With general elections only six weeks

away, the new run on the peseta — which was devalued twice last year by a total of 11 percent — is bad news for a Socialist government already under pressure from a rejuvenated conservative opposition.

"This could hardly come at a worse moment for the government," an EC diplomat said. "The man in the street invariably sees devaluation as a setback, and if they have to do it now it could be electorally fatal."

Mr. Solchaga snuck to economic grounds in his defense of the currency, calling monetary stability "necessary for the recuperation of the economy, the struggle against inflation and the struggle against unemployment."

He said that in this, he had the support of other members of the EC's exchange-rate mechanism. "Our friends and allies inside the EMS also believe this and have therefore supported us," he said.

Despite rising unemployment and other economic problems, Mr. Solchaga said, the government would not "succumb to the temptation of an expansionist policy that ignores the prudence of maintaining a stable exchange rate."

Prime Minister Felipe Gonzalez sounded the same note on Friday, declaring during an official visit to Warsaw that the government was "determined to maintain the parity of the peseta."

Persistent economic problems, especially unemployment nearing 20 percent, have reduced public confidence in the Socialists, who have been in power in Spain for more than 10 years.

Recent polls have put the opposition Popular Party about even with the government in the campaign for the June 6 election.

EC Faces Difficult Agriculture Talks

Compiled by Our Staff From Despatches

BRUSSELS — European Community farm ministers are to start a marathon meeting in Luxembourg on Monday to thrash out farm prices and milk quotas for the next 12 months.

"Decisions must be taken on prices and quotas together," a Danish official said. Denmark holds the rotating EC presidency. "We'll continue for agreement even if it takes until Thursday."

Other EC diplomats were doubtful an agreement could be reached next week given the political crisis in Italy and a recent change of government in France.

"The Italians and French are likely to seek more time," one diplomat said.

The prospect of a difficult farm-price meeting showed that Farm Commissioner René Steichen's plea for the Community to abandon

its "annual masochistic ritual" had fallen on deaf ears, one official said.

Mr. Steichen suggested at a conference in London in February that the EC should follow the U.S. example and set prices for several years instead of annually.

The Commission has proposed a modest price package with reductions for cereals and other products agreed under last year's farm reforms, and a freeze for most other items, including rice, olive oil, wine, fruit and vegetables.

While the Commission has recommended freezing these prices at their 1992-93 level, France and Germany as well as the European parliament have opposed the idea on the ground that this will reduce farmers' income.

A second argument is expected over plans for reform of the Common Agricultural Policy, the EC's overall framework for pricing, subsidizing

and stockpiling produce and taking land out of production.

Germany has published a 15-point memorandum on how the reforms should proceed, but some of its suggestions will not go down well with its EC partners, officials said.

A dispute is also expected over the agreement for CAP reform, hammered out by the Commission with the United States in November as a step toward reaching a new General Agreement on Tariffs and Trade.

The French agriculture minister, Jean Pouch, said at a Paris congress of farmers Friday that France did not accept the deal with the United States as it would lead to additional sacrifices from farmers.

However, other EC members are thought to be reluctant to renegotiate the hard-won deal with the United States. (Reuters, AFP)

Hong Kong Notebook

A Market's Rite of Passage

Hectic trading in a new issue from Thailand and a gust of proposed deals from corporate borrowers in several countries suggest that Asia's equity-linked bond market is growing up fast. But plans by several Asian companies to release Euroconvertible bonds, securities that perform like bonds and common stocks, will quickly test the market's maturity.

"We've seen a steady flow of well-recognized names like Jardine Strategic, Dairy Farm and Philippine Long Distance Telephone over the past six months," said Steven Peterson at J.P. Morgan Pacific in Hong Kong, which specializes in trading equity-linked derivatives. "We're optimistic the market can handle an additional flurry."

For many capital-hungry companies in Asia — where equities are king and debt markets have been slow to develop — raising money usually meant tapping their local stock markets through rights issues or equity placements.

But more sophisticated balance sheets and a desire by foreign investors who favor equity-linked fixed-income instruments to buy into booming Asia has precipitated a convertible-bond push.

The issue by a Thai blue-chip property developer, Land & Houses Public Co., of 560 million of bonds yielding 5 percent and convertible into shares in 2003 soared in its first days last week. With a par value of 100, the first bond went to 102 at Tuesday's opening and hit 104 Friday. Underwriters had picked them up at 97.125.

"Although in Europe or the United States you could raise \$50 million in a phone call, this is a significant issue in a new market," said Ian Hannam, director of capital markets at lead underwriter Robert Fleming & Co. in London.

The market for convertible bonds from Asian companies has recovered from a general downturn in prices, tight liquidity and a spate of large issues two years ago that, according to Mr. Hannam, "left a scorched market behind them."

But, with at least four Asian convertible issues expected and more rumored in the pipeline, is the market deep enough to handle the quickening pace?

"I'm concerned about the flow of deals," said Mr. Hannam of a partial list that includes Hong Kong's Jardine Strategic Holdings and Dairy Farm International (\$550 million); Korea's Samsung Electronics (\$150 million); and a second Thai issue, Finance One. "Investors can only take so many road shows."

Others, however, shared Mr. Peterson's optimism. "There is a scarcity of paper out there," said Mark Hantho, head of equity capital markets at Morgan Stanley Asia in Hong Kong. "We see a lot of international interest in strong Asian companies with a particular story to tell."

"A lot of European funds are looking to increase their weighting in Asia," said Carol Barraza, head of equity syndication at Barclays de Zoete Wedd in London, which also plans a \$36 million, 10-year convertible issue for a Taiwanese shipper, Sincere Navigation, within a month.

Mr. Hantho believes more Asian issues will be engineered to comply with U.S. restrictions on investment in foreign securities.

It also appears that Asian investors are taking greater interest in the relatively new market. Traders estimate 30 percent of Philippine Long Dis-

telephone's \$275 million issue in October 1992 was placed with Asian investors.

The downside protection afforded investors by the bond component and their reasonably priced premiums weighed against Asia's stock-market volatility also are raising interest in convertibles for domestic use in Asia, a sign of regional financial markets' further sophistication.

This month Indonesia saw its first domestic convertible, a 25 billion rupiah (\$12.1 million) issue by the P.T. Charoen Pokphand agribusiness concern. Several such issues exist in Thailand and many in India. "As the local market gets bigger, as it surely will, we'll see people start to trade them more often," said Barry Yates, institutional sales director with Vickers Ballas in Hong Kong.

Wharf Moves Closer to Harbour

Wharf (Holdings) Ltd. has raised 1.27 billion Hong Kong dollars (\$164.4 million) to finance a privatization of Harbour Centre Development Ltd., Reuters reported.

Wharf said over the weekend it had arranged the deal with its parent company, World International (Holdings) Ltd., to streamline Wharf's group structure and eliminate an overlap of operations between it and Harbour Centre.

Wharf is offering the hotel concern's minority shareholders nine dollars a share, a 15 percent premium over Harbour Centre's closing price on Thursday, before trading in the stock was halted. Wharf owns 56 percent of Harbour Centre, 10.7 percent is held by Hongkong & Shanghai Hotels, and the rest is in public hands.

Wharf will use net proceeds of around 1.23 billion dollars from the new share issue to pay for the privatization offer.

Less Fair Is More Confusing

The spring session of the Guangzhou trade fair, which ended Sunday, ran only 10 days instead of the usual 15 and focused on textiles and light industrial products instead of including automobiles and other heavy industrial products, United Press International reported.

In line with Beijing's trade reforms, leaders of the two-yearly trade fair in the city also known as Canton, largely cut local trading companies loose from central control by allowing provincial and city governments to organize their own exhibitions.

Foreign buyers and Chinese trading companies complained the layout was confusing because each product line, such as textiles or chemicals, was spread among 45 local trade delegations instead of being found in one specialized delegation as before.

By Saturday, 38,000 foreign business executives attended the fair, far below last autumn's record of 56,000. The number of Japanese attendees plunged 30 percent from the spring 1992 session, to about 2,000, the newspaper Ta Kung Pao said, mainly because heavy industrial goods were not offered.

Kevin Murphy

Some Changes In Russian Plan Disturb EBRD

Compiled by Our Staff From Despatches

LONDON — Russia has put foreign aid at risk with some "rather disturbing" modifications that President Boris N. Yeltsin's government made in its economic reform program at the start of 1992, with initial moves to remove price controls followed by a bold campaign to privatize state-owned firms.

But the country shunned the "shock therapy" followed by Eastern European countries in abandoning the centralized economy of communism. In Poland, where industrial output fell 26 percent in 1990 and a further 12 percent in 1991, unemployment is expected to rise to 16 percent this year.

In Russia, unemployed are officially listed as fewer than a million people in a work force of 70 million, but Mr. Fleming said the true number was probably much higher.

The EBRD has described the privatization campaign as the most encouraging element of Russia's reforms. The G-7 aid package includes a \$300 million fund to help privatize small and medium-sized companies that would be managed by the London-based bank. (Reuters, AFP)

This, he said, could throw into question the \$43 billion aid package for Russia that was agreed to this month by the Group of Seven leading industrial nations at their meeting in Tokyo.

The G-7 agreed April 15 to give Russia \$43 billion to help support its reform program. But Mr. Fleming said some of that money had been carried over from last year's \$24 billion aid package, and not all of it would be disbursed this year.

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While criticizing Russia for softening some of its program ahead of the referendum on Russia's political future — which Mr. Yeltsin was expected to win — Mr. Fleming conceded that the kind of economic shock therapy carried out in Eastern Europe may not be the answer for Russia. There, he said, the cost of allowing companies to fold could exceed that of keeping them afloat.

"There are many enterprises that are adding value but are not profitable, and to close them all would not necessarily relieve the budget," he said.

Russia launched its economic reform program at the start of 1992, with initial moves to remove price controls followed by a bold campaign to privatize state-owned firms.

But the country shunned the "shock therapy" followed by Eastern European countries in abandoning the centralized economy of communism. In Poland, where industrial output fell 26 percent in 1990 and a further 12 percent in 1991, unemployment is expected to rise to 16 percent this year.

In Russia, unemployed are officially listed as fewer than a million people in a work force of 70 million, but Mr. Fleming said the true number was probably much higher.

The EBRD has described the privatization campaign as the most encouraging element of Russia's reforms. The G-7 aid package includes a \$300 million fund to help privatize small and medium-sized companies that would be managed by the London-based bank. (Reuters, AFP)

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Study Finds Wary Cheer In Germany

Reuters

BONN — The Ifo economic research institute said Sunday that it had detected a cautious rise in optimism among companies in Western Germany's wholesale and retail sectors.

In its latest monthly report Ifo — one of Germany's five leading economic research institutes — said that in the wholesale sector, the business climate was "less unfriendly" in March than it had been in February.

The number of companies expecting a poor six months had dropped to a quarter of those surveyed by Ifo, down from one-third in February.

Many businesses felt the downward pressure from the recession was easing.

In the retail sector, Ifo discerned less pessimism than previously seen, largely due to a pickup in demand and revenue.

The Ifo survey comes on the heels of a recent report from the Federal Statistics Office showing that retail sales for all of Germany last year climbed a preliminary 1.2 percent from 1991. It said sales were up 1.1 percent in Western Germany and 1.7 percent in Eastern Germany.

Brazil Speeds Privatization To Fight Massive Inflation

Compiled by Our Staff From Despatches

BRASILIA — President Collor launched a plan over the weekend to fight inflation by slashing interest rates, speeding privatization of state companies and limiting government spending.

"This administration did not invent the inflation, hunger and social misery which have taken hold of Brazil," Mr. Collor said in a nationally broadcast speech Saturday. "We inherited these ills. Today, we are prepared to take the first steps to combat them."

Brazil's economy experienced no growth in 1992, but inflation roared, with prices rising 1,149 percent for the year.

Details were announced by Finance Minister Elicser Resende, who said the government would immediately eliminate a \$6 billion tax package that was passed in February by the Congress.

He said additional revenue would be raised by accelerating the privatization program. "All companies originally listed for privatization will be sold during the life of the current administration," he said. "In addition, the government will sell shares in companies in which it possesses minority holdings." The Franco administration is due to leave office Jan. 1, 1995. (Reuters, Knight-Ridder)

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Week ending April 23, daily closings, Jan. 1992 = 100.

World Index	Asia/Pacific
102	111
101	110
100	109
99	108
98	107
97	106
96	105
95	104
94	103
93	102
92	101
91	100

Europe	North America
100	95
99	94
98	93
97	92
96	91
95	90
94	89
93	88
92	87
91	86

Industrial Sectors/Weekend close	42302 close	41682 close	% change	42302 close	41682 close	% change
Energy	100.27	104.24	-3.81	100.41	101.14	-0.72
Utilities	111.78	110.72	+0.98	102.00	101.81	+0.28
Finance	100.58	98.72	+1.88	98.49	95.24	+3.47
Services	108.36	110.66	-2.08	103.82	100.14	+3.38

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

CURRENCY RATES

Cross Rates	April 23
Amsterdam	1.775 1.883 1.237 0.238 0.195
Bangkok	26.883 27.228 28.981 2.349 2.385 0.158
Berlin	1.936 1.936 1.936 0.000 0.000 0.000
London (L)	1.500 1.500 1.500 0.000 0.000 0.000
Madrid	177.985 183.332 183.515 5.347 5.347 0.000
Moscow	1.000 1.000 1.000 0.000 0.000 0.000
New York (N)	1.000 1.000 1.000 0.000 0.000 0.000
Paris	6.546 6.546 6.546 0.000 0.000 0.000
Tokyo	118.25 118.25 118.25 0.000 0.000 0.000
Taiwan	1.300 1.300 1.300 0.000 0.000 0.000
Zurich	1.400 1.400 1.400 0.000 0.000 0.000
1 CBU	1.224 1.224 1.224 0.000 0.000 0.000
1 CHF	1.476 1.476 1.476 0.000 0.000 0.000

Changes in Amsterdam, London and Zurich, figures in other centers: New York and Toronto rates of 3 p.m. (C) To buy one pound; (L) To buy one dollar; (N) Units of 100; (M.G.): not quoted; (M.A.): not available.

Other Dollar Values	Par \$	Par \$	Par \$	Par \$	Par \$	Par \$	
Argentine peso	0.900	1000 Argentine	7.772	M. Zealand \$	1.281	S. Korea won	752.0
Australian \$	1.482	1000 Japanese	7.181	Malay. ringgit	6.715	Saudi riyal	7.222
Austrian sch.	11.772	1000 Mexican	20.369	Phil. peso	26.19	Taiwan \$	26.92
Brazil cru.	285.1	1000 New Zealand	1.281	Polish zloty	100.0	Thai baht	26.36
Chinese yuan	8.274	1000 Singapore	0.675	Port. escudo	14.20	Turkish lra	950.0
Dutch guilder	4.816	1000 South Africa	1.466	Russian ruble	95.00	UAE dirham	3.675
French franc	6.546	1000 Taiwan	26.19	Saudi riyal	3.750	Venez. boliv.	25.40
German mark	1.936	1000 Thailand	5.347	S. Afr. rand	1.512		
Italian lira	1.936	1000 Hong Kong	7.772				

Source: IHS Bank (Amsterdam); Intermex Bank (Buenos Aires); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SPR). Other data from Reuters and AP.

ADVERTISEMENT

GRAND METROPOLITAN p.l.c. (CDR)

The undersigned announces that as from 4 May 1993 at Koo-Associatie N.V., Spuistraat 172, Amsterdam, div. c.p. no. 47 of the CDR's Grand Metropolitan p.l.c., will be payable with Dfl. 10.57 per CDR, repr. 50 shares (the final dividend for the period ended 30.09.1992 of 7.7p per share). Tax-credit Pst. 0.95625 = Dfls. 2.86 per CDR.

Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this condition.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, 21 April, 1993.

BusinessWeek

This week's topics:

- A Strong Yen Makes Japan Stronger
- Taiwan Hooks Its Future To China
- Could Russia Itself Breakup?
- Chrysler's Bodl New \$8,600 Car
- Amid Woes, IBM Has A PC Winner

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The sign of excellence

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London. Tel: 322 40 00. Prices may vary according to market conditions and other factors. April 23

Dollar Straights

Table of Dollar Straights bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Governments/Supranationals

Table of Government and Supranational bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Banks Finance

Table of Bank and Finance bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Global Corporates

Table of Global Corporate bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

High Yielding Debt

Table of High Yielding Debt bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Dollar Zeros

Table of Dollar Zero bond prices, including columns for Issuer, Maturity, Price, and Yield.

Yen

Table of Yen bond prices, including columns for Issuer, Maturity, Price, and Yield.

Ecus

Table of Ecus bond prices, including columns for Issuer, Maturity, Price, and Yield.

Pounds

Table of Pounds bond prices, including columns for Issuer, Maturity, Price, and Yield.

Deutsche Marks

Table of Deutsche Marks bond prices, including columns for Issuer, Maturity, Price, and Yield.

Canadian Dollars

Table of Canadian Dollars bond prices, including columns for Issuer, Maturity, Price, and Yield.

Floating Rate Notes

Table of Floating Rate Notes bond prices, including columns for Issuer, Maturity, Price, and Yield.

Canadian Dollars

Table of Canadian Dollars bond prices, including columns for Issuer, Maturity, Price, and Yield.

Deutsche Marks

Table of Deutsche Marks bond prices, including columns for Issuer, Maturity, Price, and Yield.

NEW YORK (AP)

Text block containing news or market commentary from New York.

London

Text block containing news or market commentary from London.

Frankfurt

Text block containing news or market commentary from Frankfurt.

Paris

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Geneva

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Zurich

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Basel

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Oslo

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London

Text block containing news or market commentary from London.

New International Bond Issues

Table listing various international bond issues with columns for Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Gold Rise, Refunding Unsettle Outlook

Compiled by Our Staff From Despatches NEW YORK — With one eye on the Treasury's upcoming quarterly refinancing and the other on a worrying rise in the price of gold, the bond market is expected to move little this week, analysts said.

Last week, the bellwether bond, the 30-year Treasury issue due 2023, fell 1/2 point, to 104 7/32, raising its yield to 6.79 percent for 6.75 percent. But fears of inflation led to a widening of the yield curve, the relationship between short- and long-term interest rates.

The two-year note rose 2/32 point, to 100 8/32, where its yield was 3.71 percent, down from 3.76. That widened the gap with the 30-year yield to 308 basis points from 299 a week ago.

U.S. CREDIT MARKETS The two-year note rose 2/32 point, to 100 8/32, where its yield was 3.71 percent, down from 3.76. That widened the gap with the 30-year yield to 308 basis points from 299 a week ago.

Another worrying sign was a sharp rise in the price of gold, which gained \$4.50 in Friday's trading. April futures contracts on the Commodity Exchange, where it closed at \$346.50 an ounce.

The rally in gold also suggested "people are real nervous about the dollar coming under significant pressure," said Sterling Russell, a trader at Linco Futures, U.S. officials have been pressuring Japan to allow the yen to rise as a way of curbing its trade surplus with the United States.

The bond market's main concern this week is expected to be the Treasury's quarterly refinancing, which is to be announced May 5, with the auctions a week later.

"The report on the Treasury debt mix is keeping the market subdued and making people nervous," said Anthony Chan, senior economist at Barclays de Zoete Wedd Government Securities Inc. The Treasury said in February that it would study a shift away from long-term borrowing as a way of reducing interest costs.

Jack McIntyre, fixed-income analyst at First Boston Corp., said there was a rumor that "the government might not reduce the size of the bond issue for the May quarterly refinancing" in the market last week. (UPI, Bloomberg, Knight-Ridder, Reuters)

Euromarkets At a Glance

Table showing Euromarkets at a glance with columns for U.S. & other rates, Eurobond yields, and Weekly sales.

BONDS: Rate Cuts Fail to Aid French, German Issues

(Continued from first finance page) substantial portion of the proceeds into yen. McDonald's 1 billion francs of 10-year bonds carrying a coupon of 7 1/2 percent and priced to yield 50 basis points over benchmark levels, and KfW's 1.5 billion francs of seven-year bonds offered at a spread of 21 basis points were also well received.

Toyota Motor Credit Corp. sold 1 billion francs of four-year paper carrying a coupon of 7 1/2 percent and priced to yield 25 basis points over benchmark levels. The terms were deemed a bit too tight and the paper ended the week trading at a spread of 27 basis points.

Volkswagen sold 1 billion DM of 10-year bonds, the largest ever from a German corporation, and the deal was an instant sellout. The company paid 55 basis points more than the German government, and Frankfurt bankers are hopeful that this large issue will serve as a benchmark for other German companies to tap the market.

The first Chinese borrower to tap the international market without the guarantee of the government — Guangdong International Trust & Investment Corp. — sold \$150 million of five-year floating rate notes carrying a coupon of 5 1/2 percent over the six-month interbank rate. Moody's Investors Service rated the paper Baa1, identical to its rating for the central government. The issue is guaranteed by Guangdong province. Issued at a small discount, the paper was priced to yield 57 basis points over the interbank rate, compared with a spread of 50 basis points paid by entities carrying the central government's guarantee.

BANK: Using the Art of Confusion

(Continued from first finance page) it was en route to a strong recovery. But that was short-lived. Traders said the Spanish central bank used the advance to sell dollars and build up its war chest of marks to defend the peseta, which faced pressure in the EC's exchange-rate mechanism. (Page 15) The dollar's subsequent retreat to 1.5837 DM by week's end left it firmly entrenched in a downward correction, and leading analysts are unsure whether this means a decline to the mid- or low 1.50s.

Continuing disappointment about U.S. growth prospects and concern that the Federal Reserve may further reduce its interest rates constitute the dollar's major handicap at present.

The Week Ahead: World Economic Calendar, April 26 - 30

Table listing world economic calendar events from April 26 to April 30, including Australia, Europe, Asia-Pacific, and Americas.

MUTUAL FUNDS

Table listing mutual funds with columns for Fund Name, Bid, Ask, and other details. Includes a section for (Continued).

SAFRA REPUBLIC HOLDINGS S.A. LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hôtel Royal, 12, Boulevard Royal, Luxembourg, on May 12, 1993 at 11.00 a.m.

for the purpose of considering and voting on the following matters:

- 1. Chairman's Statement.
2. Statutory Auditors' Report.
3. Approval of the parent company only unconsolidated financial statements for the year ended December 31, 1992.
4. Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year ended December 31, 1992.
5. Approval of the proposed appropriation of US\$ 1,215,506 to the legal reserve, reduction by US\$ 246,289 of the reserve for treasury shares, distribution of a dividend of US\$ 2.25 per common share and carrying forward of the balance of the profit.
6. Election of the Board of Directors and of the Statutory Auditors for a new one year term. All the Directors are eligible and stand for re-election.
7. Approval of the consolidated financial statements of the Company for the year ended December 31, 1992.
8. To extend the validity of the Company's authorised share capital of US\$ 200,000,000 to be represented by 40,000,000 authorised shares for a further period of five years from the date of the publication of the Resolution of the Annual General Meeting in the Mémorial.
8b. To authorise the Board of Directors to proceed with the issue of the authorised shares, as deemed in the best interest of the Company, without granting preemptive rights to the existing shareholders.
9. To extend the validity of the Board of Directors' Resolution to repurchase up to a total maximum of 400,000 shares of the Company for a further period not to exceed 18 months, under the same conditions as previously resolved by the Board for the purchase by subsidiaries of the Company.
10. Miscellaneous and individual proposals.

NOTES: Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting must produce a depositary receipt or present his share certificates to gain admission.

A shareholder wishing to be represented at the meeting must lodge a proxy, duly completed, together with a depositary receipt or the registered offices of SRH at 32, Boulevard Royal, Luxembourg, not later than May 10, 1993 at 5 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom their shares are held to notify any of the banks listed whose shares are registered with SRH.

- * Unioce de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg
* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB
* Republic National Bank of New York (Swiss) S.A., 1, place du Lac, 1204 Geneva
* Republic National Bank of New York (Swiss) S.A., Casanova 1, 6900 Lugano
* Republic National Bank of New York (Swiss) S.A., Stockerstrasse 37, 8002 Zurich
* Republic National Bank of New York (Luxembourg) S.A., 32, Boulevard Royal, 2449 Luxembourg
* Republic National Bank of New York (France), 2, avenue Vendôme, 75001 Paris
* Republic National Bank of New York (France), 2, avenue Princesse Alice, 98006 Monte Carlo
* Republic National Bank of New York (Guernsey) Ltd, Sarmia House, Le Truchot, St. Peter Port, Guernsey, Channel Islands
* Republic National Bank of New York (Gibraltar) Ltd, Neptune House, Marina Bay, Gibraltar

* Paying Agent of Safra Republic Holdings S.A.

Handwritten note: 02/1/20/520

Table of stock prices for various companies, including columns for company name, price, and change.

MUTUAL FUNDS

Table of mutual fund prices and performance metrics, including columns for fund name, price, and change.

Table of stock prices for various companies, including columns for company name, price, and change.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, April 23.

Table of NASDAQ National Market data, including columns for company name, price, and change.

Sales in 100s High Low Close Chg

Table of sales data for various companies, including columns for company name, sales, and change.

Sales in 100s High Low Close Chg

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Sales in 100s High Low Close Chg

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(Continued on next page)

MONDAY SPORTS GRAND PRIX

Prost Puts Squeeze on Senna With Easy Victory in San Marino Race

United Press International
IMOLA, Italy — Alain Prost of France extended his record of Formula One victories to 46 Sunday with a resounding triumph in the San Marino Grand Prix and put himself back on course for winning a fourth world drivers' title.

Prost, the world champion in 1985, 1986 and 1989, drove his Williams Renault to a 32-second victory over Michael Schumacher of Germany in a Benetton Ford.

Martin Brundle of Britain took third in a Ligier Renault for his best finish of the season.

Prost, who also won the opening race of the season at Kyalami in South Africa, clocked 1

hour, 33 minutes, 20.413 seconds for the 61-lap race of 307.440 kilometers (191.034 miles).

He is just two points behind Ayrton Senna of Brazil in the drivers' standings. Senna spun off the track at Imola on lap 43.

But there was some good news for McLaren Ford, which announced that Senna had agreed to drive for the team for the rest of the season.

"I feel very tired because mentally this weekend was very difficult and I am very happy now it is over to have won 10 points," Prost said.

"I was a bit lucky Ayrton did not finish the race so I could close up in the championship."

He added: "I hope there is a little less pressure now and it will be easier to work."

Senna had opened up a 22-point lead after back-to-back victories in the Brazilian and European Grands Prix, but had been helped out when both races were run in the rain.

Widely regarded as the best wet weather driver in Formula One, Senna maintains that his McLaren Ford is unable to match the two Williams Renaults in dry conditions.

McLaren's boss, Ron Dennis, who said that Senna had finally promised to drive for the rest of 1993, was disappointed with the result.

"The team worked very hard and it would have been nice to have brought a result back," he said. "But reliability and accidents are a part

of motor racing. It's been a very disappointing day."

Senna's hopes of winning three straight were lifted when there was a light shower before the start of the race. But as the track began drying out, the Williams Renaults showed superiority.

"I was coping all right until the failure," Senna said. "We had a hydraulic failure at the end of the straight, at over 300 kilometers per hour. I managed to stop the car and shortly afterwards I lost all systems."

"I also had brake problems, but we took a gamble there, with brakes that work better in the wet than in the dry. It was a decision we all took together."

Senna's teammate, Michael Andretti of the United States, failed to finish for the fourth time in as many Grand Prix starts. He was running fifth when he slid out on lap 33.

"My rear wheels started to lock up when I tried to have a go at [Karl] Wendlinger," Andretti said. "I wasn't trying to pass him, but my rear locked up again going into the corner and the car swapped ends on me."

Prost's teammate, Damon Hill of Britain, led for the first 12 laps after a brilliant start from second on the grid. He surrendered the lead when he was stopped to swap his wet weather tires for slicks, then managed just another eight laps before he slid off the course.

Schumacher, who had been fourth in the early stages, moved up to second as Hill and Senna departed and was one of just six drivers from the original 25 still left on the track when Prost crossed the finish line.

J. J. Lehto of Finland finished fourth in a Sauber, ahead of Philippe Alliot of France in a Larrousse Lamborghini. Fabrizio Barbazza of Italy drove his Minardi Ford into sixth place despite starting in last place on the grid.

Mark Blundell was the first to drop out, when he crashed his Ligier Renault on the opening lap. He was followed seconds later by Riccardo Patrese, who won at Imola in 1990.

SCOREBOARD

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Detroit	11	5	.688
Boston	11	7	.611
Toronto	9	8	.529
Minnesota	8	8	.500
Chicago	8	9	.471
Baltimore	5	13	.281
West Division			
California	11	4	.733
Seattle	10	6	.625
Chicago	8	8	.500
Minnesota	8	8	.500
Oakland	6	9	.407
Kansas City	5	13	.281

NATIONAL LEAGUE			
East Division			
Team	W	L	Pct.
Philadelphia	11	6	.647
St. Louis	9	8	.529
Chicago	8	8	.500
New York	8	8	.500
Pittsburgh	8	9	.471
Florida	6	13	.313
West Division			
Houston	11	6	.647
Los Angeles	10	7	.588
San Francisco	10	8	.556
San Diego	7	9	.438
Cincinnati	6	11	.353
San Antonio	6	12	.333

Friday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
Texas	8	8	.500
Minnesota	8	8	.500
Baltimore	8	8	.500
Chicago	8	8	.500
Toronto	8	8	.500
Philadelphia	8	8	.500
San Francisco	8	8	.500
San Diego	8	8	.500
Cincinnati	8	8	.500
San Antonio	8	8	.500

Saturday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
Chicago	9	7	.561
Toronto	9	7	.561
Philadelphia	9	7	.561
San Francisco	9	7	.561
San Diego	9	7	.561
Cincinnati	9	7	.561
San Antonio	9	7	.561

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
New York	32	12	.727
Orlando	28	16	.636
Philadelphia	25	21	.545
Washington	25	21	.545
Charlotte	24	22	.523
Atlanta	23	23	.500
Indiana	21	25	.455
Milwaukee	20	26	.435
WESTERN CONFERENCE			
Team	W	L	Pct.
San Antonio	32	12	.727
Phoenix	28	16	.636
Portland	25	21	.545
Utah	25	21	.545
Los Angeles	24	22	.523
Golden State	23	23	.500
Sacramento	22	24	.477
Memphis	21	25	.455
San Diego	20	26	.435

Japanese Leagues

Central League			
Team	W	L	Pct.
Hiroshima	9	2	.818
Yokohama	7	4	.636
Hanshin	7	4	.636
Yokoyama	7	4	.636
Yokohama	7	4	.636
Yokohama	7	4	.636

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

SCOREBOARD

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Detroit	12	5	.706
Boston	12	7	.632
Toronto	10	8	.556
Minnesota	9	8	.529
Chicago	9	9	.500
Baltimore	6	13	.313
West Division			
California	12	4	.750
Seattle	11	6	.647
Chicago	9	8	.529
Minnesota	9	8	.529
Oakland	7	9	.438
Kansas City	6	13	.313

Saturday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
Chicago	10	7	.588
Toronto	10	7	.588
Philadelphia	10	7	.588
San Francisco	10	7	.588
San Diego	10	7	.588
Cincinnati	10	7	.588
San Antonio	10	7	.588

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
New York	33	12	.733
Orlando	29	16	.645
Philadelphia	26	21	.556
Washington	26	21	.556
Charlotte	25	22	.530
Atlanta	24	23	.511
Indiana	22	25	.467
Milwaukee	21	26	.444
WESTERN CONFERENCE			
Team	W	L	Pct.
San Antonio	33	12	.733
Phoenix	29	16	.645
Portland	26	21	.556
Utah	26	21	.556
Los Angeles	25	22	.530
Golden State	24	23	.511
Sacramento	23	24	.488
Memphis	22	25	.467
San Diego	21	26	.444

Japanese Leagues

Central League			
Team	W	L	Pct.
Hiroshima	10	2	.833
Yokohama	8	4	.667
Hanshin	8	4	.667
Yokoyama	8	4	.667
Yokohama	8	4	.667
Yokohama	8	4	.667

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

SCOREBOARD

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Detroit	13	5	.724
Boston	13	7	.649
Toronto	11	8	.577
Minnesota	10	8	.556
Chicago	10	9	.526
Baltimore	7	13	.349
West Division			
California	13	4	.765
Seattle	12	6	.667
Chicago	10	8	.556
Minnesota	10	8	.556
Oakland	8	9	.471
Kansas City	7	13	.349

Saturday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
Chicago	11	7	.611
Toronto	11	7	.611
Philadelphia	11	7	.611
San Francisco	11	7	.611
San Diego	11	7	.611
Cincinnati	11	7	.611
San Antonio	11	7	.611

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
New York	34	12	.741
Orlando	30	16	.652
Philadelphia	27	21	.563
Washington	27	21	.563
Charlotte	26	22	.545
Atlanta	25	23	.521
Indiana	23	25	.476
Milwaukee	22	26	.452
WESTERN CONFERENCE			
Team	W	L	Pct.
San Antonio	34	12	.741
Phoenix	30	16	.652
Portland	27	21	.563
Utah	27	21	.563
Los Angeles	26	22	.545
Golden State	25	23	.521
Sacramento	24	24	.500
Memphis	23	25	.476
San Diego	22	26	.452

Japanese Leagues

Central League			
Team	W	L	Pct.
Hiroshima	11	2	.846
Yokohama	9	4	.692
Hanshin	9	4	.692
Yokoyama	9	4	.692
Yokohama	9	4	.692
Yokohama	9	4	.692

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia	5-3	San Francisco
2	San Francisco	4-3	Philadelphia
3	San Diego	4-3	Los Angeles
4	Los Angeles	3-2	San Diego
5	San Antonio	101-95	Phoenix
6	Phoenix	101-95	San Antonio
7	Portland	101-95	Utah
8	Utah	101-95	Portland
9	San Antonio	101-95	San Antonio
10	San Antonio	101-95	San Antonio

Saturday's Results

Game	Home	Score	Visitor
1	Philadelphia		

MONDAY SPORTS FOOTBALL

Quarterbacks Bledsoe and Mirer Taken 1-2 in the NFL Draft

Compiled by Our Staff From Dispatches

NEW YORK — Drew Bledsoe, the strong-armed quarterback from Washington State University, was picked first in the National Football League draft Sunday by the New England Patriots.

Bledsoe, who left college after his junior year, joins a team that finished 2-14 last season. He was the first choice made by Bill Parcells, the new coach of the Patriots, who said before the draft that he would select either Bledsoe or the Notre Dame quarterback, Rick Mirer.

Bledsoe, who ran a pro-style offense in college, was considered more likely than Mirer to make an immediate impact on the Patriots.

Before Bledsoe was chosen, the New Orleans Saints sent Pat Swilling, an All-Pro linebacker, to the Detroit Lions for a first-round pick (eighth overall) and a fourth-rounder. Denver swapped its first-rounder (14th overall) and a third-round choice to Cleveland for the Browns' first pick, 11th overall.

Seattle, desperate for a quarterback and hop-

ing to get Bledsoe, a home-state product, settled for Mirer. It was the first time since 1971 that two quarterbacks headed the draft. Twenty-two years ago, Jim Plunkett, Archie Manning and Dan Pastorini went 1-2-3.

Both Bledsoe and Mirer figure to be starters this season, although Parcells said of Bledsoe: "I don't want anyone to think he's the starter. He's not. He'll play when he's ready."

With fans in the balcony at the Marriott Marquis ballroom chanting "Marvin Marvin!" for Florida State All-American linebacker Marvin Jones, the New York Jets dealt the third overall pick to Phoenix, which was in line right behind New York. The Cardinals used every second of the 15-minute allotment before grabbing Garrison Hearst, the Georgia running back.

The Jets, now selecting fourth with the Cardinals' original choice, acquired running back Johnny Johnson from Phoenix in the deal. Johnson, a former Pro Bowler, rushed for 734 yards and six touchdowns last year.

New York then took Jones, prompting a loud cheer from the fans. Jones could be the impact defensive player the Jets have lacked for years. "I heard them," Jones said. "They were excited and so was I."

The next two picks were All-American defensive ends from national champion Alabama. Cincinnati went for John Copeland, then Tampa Bay selected Eric Curry. The Bengals used an outside pass-rusher to complement Alfred Williams, while Curry will provide a nice balance to Tampa's best sacker, Santana Dotson.

Chicago used the seventh choice for the speed receiver it lacked, taking Curtis Conway of Southern California, who runs a 4.4 in the 40.

New Orleans, using a pick acquired from Detroit for Swilling, bolstered its offensive line with Willie Roaf of Louisiana Tech.

The ninth pick belonged to the New York Giants, who forfeited it when they took Dave Brown, the Duke quarterback, in the 1992 supplementary draft.

That left tackle Lincoln Kennedy, an All-

American from Washington, for Atlanta. The Falcons lost two guards, Bill Fralic and Houston Hoover, through free agency, and Mike Kean, a tackle, is nearing the end of his career.

Notre Dame fullback Jerome Bettis was the 10th pick, by the Los Angeles Rams, whose coach, Chuck Knox, likes to build the attack around a pile-driving runner.

The Denver Broncos used the 11th pick, acquired in a Sunday trade with Cleveland, on a Toledo defensive lineman, Dan Williams, who had 13 sacks as defensive end last season. The Broncos traded the 14th overall pick and their third-round selection to Cleveland to move up.

The Los Angeles Raiders used the 12th pick on Texas A & M safety Patrick Bates, who will try to replace Ronnie Lott in the secondary. Bates is faster than most big safeties and a hard hitter. The Raiders have no experienced safety to replace Lott, who left as a free agent.

The Philadelphia Eagles traded the 13th pick to the Houston Oilers, who selected Illinois tackle Brad Hopkins. Hopkins is considered a

potentially dominant lineman who must work hard to improve his technique. The Eagles received Houston's first (19th overall) and third-round selections. Philadelphia was awarded the 13th pick as compensation for losing Reggie White, a defensive end who left as a free agent.

The Browns drafted Michigan center Steve Everitt with the 14th pick, acquired in the trade with Denver. Everitt was considered the only center worthy of a first-round pick and was the first offensive lineman drafted to the first round by Cleveland since Pete Adams in 1973.

The Green Bay Packers used the 15th pick on Clemson's Wayne Simmons, who was considered the best outside linebacker in the draft.

The Indianapolis Colts spent the 16th selection on California wide receiver Sean Dawkins. Dawkins caught 65 passes for 1,070 yards and 14 touchdowns last year.

The Washington Redskins used the 17th selection on Notre Dame cornerback Tom Carter. Carter runs a 4.4 in the 40 but needs work on his coverage and tackling.

The San Francisco 49ers traded the 18th pick — acquired from Kansas City for Joe Montana — to Phoenix, and the Cardinals selected a South Carolina offensive tackle, Ernest Dye. Dye, at 317 pounds (144 kilograms), may have weight problems, however. The 49ers received the 20th overall pick and the Cardinals' fifth-round pick for the 18th selection.

The Philadelphia Eagles used the 19th pick on Jackson State tackle Lester Holmes. The Eagles have been weak on the offensive line, giving up an NFC-high 64 sacks last year.

The 49ers made another trade, sending the 20th pick to New Orleans, and the Saints took Notre Dame tight end Irv Smith. Smith is a strong blocker and can catch. New Orleans gave San Francisco the 26th pick plus its third-round selection to move up for Smith.

The Minnesota Vikings selected Ohio State running back Robert Smith as 21st. Smith has sprinter's speed and can play wide receiver, but most expected him to last until the second round. (AP, UPI)



Brad May, left, and goalie Dominik Hasek celebrated after May's overtime goal completed the Sabres' stunning sweep of the Bruins.

Devils, in Clutch, Stymie Penguins

The Associated Press

EAST RUTHERFORD, New Jersey — The Pittsburgh Penguins' National Hockey League-record 14-game playoff winning streak was halted Sunday as the New Jersey Devils averted a first-round sweep by defeating the two-time Stanley Cup champions, 4-1.

Stephane Richer, scoreless in the opening three games of the series, woke up the Devils' slumbering power play with goal and two assists, while goalie Chris Terreri made 30 saves in frustrating Mario Lemieux and teammates.

The Penguins, who had an overall 21-game unbeaten streak, with one tie, can still wrap up the best-of-7 series by winning Game 5 on Monday night in Pittsburgh.

For the second straight game, the Devils forced the free-wheeling Penguins into a clutch-and-grab type of contest that at times left Lemieux openly frustrated. The NHL's leading scorer was so annoyed early in the second period that he tripped a stick out of the hands of John MacLean and tossed it into the corner. He later threw the Devils' forward to the ice after play stopped.

New Jersey, which came into the must-win game having converted one of 18 power-play chances, connected on three of its first four chances Sunday.

The Penguins and Lemieux actually helped get the Devils going by taking two penalties in the opening

4:52, with Lemieux's tripping infraction at 4:52 giving New Jersey a two-man advantage for 53 seconds.

Thirty seconds later, Richer took a pass from Bruce Driver to the left faceoff circle and one-timed it by Tom Barraso.

New Jersey broke the game open by scoring twice after Jaromir Jagr

STANLEY CUP

was given a five-minute major and a game misconduct for a high-sticking penalty against Valeri Zhelepuhin with 2:16 left in the second period.

Defenseman Tommy Albelin stretched the lead to 2-0 with 9:4 seconds left in the period by one-timing a cross-ice pass by Richer past Barraso from the right point.

Claude Lemieux connected at 1:52 of the third period with Richer and a lucky bounce helping to make it 3-0.

Bruce 4, Blackhawks 3: In St. Louis, Craig Janney scored unassisted at 10:43 of overtime, giving St. Louis a victory over Chicago and a sweep of their first-round playoff series.

The Blues outshot Chicago 6-3 in the extra period, and Blackhawks' goalie Ed Belfour stopped three good scoring chances in the first two minutes. Included were two from point-blank range by Janney.

But on the game-winner, Belfour left the net to try to track down the puck and couldn't get back in time

as Janney stopped a clearing effort and shot from the left circle.

Fifty-goal scorer Jeremy Roenick finally got his first goal of the playoffs on a rebound shot with 2:58 to go as Chicago forced the overtime. Joseph made a sprawling save on Steve Larmer from close range, but the right half of the net was wide open for the rebound, only Roenick's third point of the playoffs.

In games played Saturday:

Sabres 6, Bruins 5: Brad May's goal in overtime allowed the home team to complete an unprecedented sweep of heavily favored Boston in an Adams Division playoff series.

The Bruins, who won 18 of their last 21 regular-season games before falling apart, became the first NHL club to win 50 regular-season games and be swept in the playoffs.

The Sabres lost their last seven regular-season games; Boston had won the previous five series against Buffalo, and the Sabres had not won a seven-game series in 13 years.

May scored off a pass from Pat LaFontaine, who was on his knees when he swept the puck along. May took it at the Boston blue line, evaded Ray Bourque to get in alone against the Bruins' goalie, Andy Moog, then beat him with a forehead after a fake.

The Sabres completed the sweep the hard way, coming back from a

5-3 deficit, and without goalie Grant Fuhr, who left the game after the first period with a bruised right shoulder.

Canadiens 3, Nordiques 2: In Montreal, Benoit Brunet scored 67 seconds into the third period to beat Quebec and tie their Adams Division playoff series at two games each.

Brunet lifted in a rebound after goaltender Roo Hestall stopped Gilbert Dionne's close-range shot, sending the best-of-seven series back to Quebec for Game 5 on Monday night.

Vincent Damphousse and Gary Leeman also scored for Montreal, which lost the first two games at Quebec and won the next two at home.

Islanders 4, Capitals 3: In Utica, New York, Ray Ferraro scored an overtime goal for the second straight game, this time in the second extra period, as New York rallied against Washington to take a 3-1 lead in the Patrick Division series.

The Islanders have won all three games in overtime, with Ferraro getting an assist on the winning goal in Game 2. Ferraro scored at 5:40 of OT this time, coming in alone in front of the net to beat Rick Tabaracci through the legs.

The Islanders and Capitals were tied at 3 after New York came back from an early three-goal deficit on Patrick Flatley's goal at 14:14 of the third period.

Germany Burns U.S. in Opening Period

Compiled by Our Staff From Dispatches

Germany scored five times in the first period, including a fluke opening goal, and held on to beat Team USA, 6-3, Sunday in the Pool B finale in the World Hockey Championships in Dortmund, Germany.

The previously unbeaten Americans had allowed only four goals in four previous games. But the Germans, who forechecked aggressively from the start, more than doubled it in the first 20 minutes.

The Americans' first-period collapse started with a power-play goal at 7:12 when goalie Mike Richter misjudged a bad bounce along the boards. The puck bounced from behind the cage straight to Raymond Hilger, who was stationed just outside the crease and swept a backhand into the open net. Richter, looking over his shoulder in the other direction, never reacted.

Gerd Truntzchka, Germany's captain, made it 2-0 at 11:16 and Ernst Kopf connected just 39 seconds later, sliding the puck into the net through a pile of players. Michael Ramrick, who scored a short-handed goal, and Benoit Doucet added to the U.S. misery by scoring within a span of 2:39 late in the period.

Canada 3, Russia 1: In Munich, Eric Lindros scored a goal and set up another to keep Canada unbeaten.

Canada finished round-robin play with a 5-0 record and will face

Finland in Wednesday's quarterfinal.

Kevin Dineen put the Canadians in front for good at 4:28 of the first period when he tapped in a pass from defenseman and Philadelphia Flyers teammate Garry Galley.

With Russian centerman Alexei Yashin sitting out a high-sticking major, college freshman Paul Kar-

WORLD CHAMPIONSHIPS

ija worked the puck around goalkeeper Andrei Trefilov for a 2-0 lead. Lindros, parked just outside the crease, swept the puck past Trefilov for a 3-0 lead.

Czech Republic 3, Finland 1: In Dortmund, Germany, Jiri Dolezal broke a 1-1 tie early in the third period and Martin Hostak added an empty-net goal with 15 seconds left as the Czech Republic defeated Finland to win Pool B in the World Ice Hockey Championships.

The unbeaten Czechs, who finished with four victories and one tie for nine points, will play either Italy or Switzerland in the quarterfinals in Munich on Wednesday.

The Czech Republic, which as the host team eliminated the United States, 8-1, in last year's quarterfinals, took the lead against Finland on Petr Hrbek's breakaway goal at 11:04 in the second period, when Jarmo Laakkonen was off for a cross-checking penalty.

Mika Alatalo tied it for the Finns at 17:51. Dolezal, who plays pro

hockey in Finland, then fired the Czechs ahead with a shot from point-blank range that went between goalie Markus Ketterer's pads at 5:04 in the third session.

Finland's coach, Pentti Mankinen, pulled Ketterer for an extra attacker in the final minute and the Finns had a two-man advantage when Drahomir Kadlec took a penalty for cross-checking at 19:25. But the tactics backfired as Hostak, who is a pro in the Swedish Elite League, shot the puck into an empty net at 19:43 to end the scoring.

Switzerland 6, Sweden 4: Switzerland, which made last year's semifinals with its best performance in championship history, kept its slim playoff hopes alive in this tournament by beating two-time defending champion Sweden in Munich.

Patrick Howald and Roman Waeger each scored twice as the Swiss won their second straight. But Italy, which beat the Swiss by 1-0 earlier in the round-robin competition, needs only a tie Monday against dormant Austria to clinch the final playoff berth.

Sweden came from 0-3 and 1-4 to draw even at 4-4 on rookie Mikael Renberg's slap shot between goalie Reto Pavoni's leg pads at 7:49 in the third period.

Waeger's second goal, which made it 5-4 at 9:07 in the third period, was the gam.

In games played Saturday: United States 3, Norway 1: In

Dortmund, the United States defeated Norway but gained a berth in the quarterfinals.

Tony Amonte and Darren Turcotte of the New York Rangers ignited Team USA by scoring two goals within 40 seconds in the second period after the Norwegians had taken a 1-0 lead.

Czech Republic 6, France 2: The Czechs, who had already qualified for the playoffs, outshot the French, 17-0, in the first period but managed only one goal, when center Josef Beranek, whose line with Radek Topal and Tomas Kapusta got six points, scored the opener at 7:12 in Dortmund.

Milos Holan and Leo Gudas scored in the second period, and Kapusta, Martin Hostak and Petr Rosol each got a goal within a span of 2:58 early in the third.

Sweden 5, Russia 2: In Munich, Sweden clinched a berth in the quarterfinals as Mikael Andersson of the Tampa Bay Lightning scored twice in the third period to put the game out of reach.

His first goal was a well-timed tip-in from close range off a blue-line slap shot from defenseman Kenneth Kemmolt just 31 seconds into the period. That made it 4-1. Andersson scored again at 17:45.

Canada 11, Italy 2: Eric Lindros of the Philadelphia Flyers scored five goals to lead unbeaten Canada's rout of Italy in Munich. (AP, UPI)

Knicks Beat Bulls, Tying Team Record

The Associated Press

NEW YORK — The New York Knicks matched their club record of 60 victories with their 20th straight Sunday in Madison Square Garden, where they finished the regular season by beating the Chicago Bulls, 89-84.

John Starks scored 22 points and Patrick Ewing had 22 points and 12 rebounds for New York, which starts the National Basketball Association playoffs Friday night at home against eighth-seeded Indiana. New York, which also won 60-22 in 1969-70 when it won the NBA title, ended the season with five straight victories overall and nine in 10 games.

Michael Jordan scored 21 points and Horace Grant 15 for Chicago, which plays host to Atlanta on Friday night.

The game, which would have decided homecourt advantage in the conference playoffs if the Bulls hadn't lost at Charlotte on Friday night, was tied at the end of the first three quarters, but it wasn't nearly as intense as it could have been.

Trailing by 69-67 early in the fourth period, New York took control with a 17-6 run in which Ro-

lando Blackman scored seven points and Ewing six.

The spurt gave the Knicks an 84-75 lead with 3:50 to go, but Chicago got consecutive baskets by Jordan, Grant and Scottie Pippen to close to three points with 1:29 left.

Starks' lay-up made it 86-81 with 1:19 to play and Ewing, who scored 11 points in the fourth quarter, followed a free throw by Jordan with two of his own for an 88-82 advantage with 27 seconds left.

New York is 23-1 in games it has held the opposition under 90 points.

In Saturday's games:

The NBA's most improved record wasn't enough to get the Orlando Magic into the playoffs.

The fourth-year team finished the regular season with a 104-85 victory over Atlanta in Orlando, Florida, but failed to get the first postseason berth in franchise history when the Indiana Pacers defeated the Miami Heat, 94-88.

Shaquille O'Neal scored 31 points and Nick Anderson had 27 as the Magic won for the fourth time in five games to finish with 41 victories, 20 more than last season

when Orlando had the second-worst record in the league.

The Magic began the night tied with Indiana for the eighth and final playoff position in the Eastern Conference, and needed to have Miami beat the Pacers in Indianapolis to get the spot.

Orlando and Indiana finished with 41-41 records, but Indiana had the edge in the first tie-breaker because it outscored Orlando, 444-439, in the teams' four games against each other.

Atlanta, which got 27 points from Dominique Wilkins, closed the gap to 13 points with just under three minutes remaining in the game but could not get any closer.

Pacers 94, Heat 88: In Indianapolis, Vern Fleming, making only his eighth start of the season, matched his career-high with 31 points as Indiana earned a spot against the New York Knicks in the first round of the playoffs.

Suns 97, Spurs 97: In Phoenix, Danny Ainge preserved a two-point lead for Phoenix with a basket and a free throw in the final 12.6 seconds as the Suns beat San Antonio despite the absence of Charles Barkley, who had been ejected for disputing a call.

The Spurs called timeout with 6.9 seconds left after Ainge missed the second foul shot. Willie Anderson got off a jumper, and David Robinson got the rebound but his last-second shot bounced off the rim.

Mavericks 128, Rockets 123: In Houston, Jim Jackson scored 23 points to lead seven Dallas players in double figures as the Mavericks snapped the Rockets' 11-game winning streak.

The Mavericks won a second game in a row for the second time this season, but they still finished the season with the worst record in franchise history and just two losses away from tying the worst record in NBA history, the 9-73 mark posted by the 1972-73 Philadelphia 76ers.

Lakers 125, Kings 107: In Inglewood, California, Los Angeles ended its worst regular season in 18 years by beating last-place Sacramento.

Despite making the playoffs for the 17th year in a row, the Lakers finished fifth in the Pacific Division and eighth in the Western Conference at 39-43 — four games worse than last year.

A.C. Green had 26 points and 11 rebounds and Vlade Divac added 23 points for Los Angeles.

Memories of the Queen's Remembrancer

LONDON — In daily life, William Keith Topley is a brisk and portly judge. Senior Master of the Supreme Court, Queen's Bench Division, and always referred to as Master, and not Judge, Topley, in daily life he wears a well-cut dark suit, adjudicates in wood-paneled chambers, and heads for the golf links when he is done. But on certain days Master Topley dons knee breeches, silk hose, buckled shoes and a full-bottomed horsehair wig topped by a tiny tricorn and becomes a creature out of Lewis Carroll: the Queen's Remembrancer.



Master Topley (right), the Queen's Remembrancer, with Chief Clerk Ian Denyer.

The Queen's Remembrancer does not twitch Her Majesty's sleeve to remind her of a springtime swan-upping or a dental appointment next Tuesday; his duties are not as

MARY BLUME

occasional as those of the arranger of the Maundy Thursday nosegay as perilous as those of the Chamberlain who must walk backwards in the royal presence.

"Remembrancer is a term of great antiquity," the Remembrancer says. He is fond of referring to the mists of time. "I think it's just one who reminds or who causes memories to jog."

The annual duties of the Queen's Remembrancer end this year on May 7 when the verdict of the Trial of the Pyx is rendered. They began in October with the Quit Rents ceremony, which, along with the coronation, is the oldest ceremony in the kingdom. In between, there are such duties as taking the Lord Mayor of London through his declaration of allegiance, collecting certain debts for the Crown and fines for contempt of court, and attending at the nomination of the High Sheriffs whose names are inscribed on a great roll of paper and presented to the Queen.

The Queen puts her bodkin through the top name on the list and he is appointed the High Sheriff, unless there's some reason why not, for a year. She is not obliged to put it through the top one but by convention she does. He's the High Sheriff for a year and then there's another one the next year.

These amiable duties are generally accompanied by speeches and pleasant luncheons, especially for the Trial of the Pyx which, despite its rather alarming name, simply has to do with the assaying each February by 76 goldsmiths of coins about to be circulated by the mint.

"The coins are brought up in boxes called the Pyx and tested and then they deliver their verdict, which is a very long and complicated scientific document. I receive the verdict and make suitable comments, usually congratulatory because they normally get it right." The Trial of the Pyx was already well established in 1281, when a warrant was issued for its continuation.

The office of Queen's (or King's) Remembrancer, Master Topley says, dates to 1066 and the arrival in England of William the Conqueror, who brought three Remembrancers with him. "They gradually became whittled down to one. They were essentially, I suppose, accountants in a rather grand way and they formed part of his exchequer. They followed him around, collected rents, performed the major business of the realm."

"There was a Chancellor of the Exchequer, which we still have, and there were Barons of the Exchequer, and the three Remembrancers. They conducted the accounting between the great landowning barons and the Crown; they dealt with disputes, usually between the larger landowners and the monarch as to what was owed, and what was owed by the monarch to the various landowners."

The last vestigial twinge of the Remembrancer's original duties is the annual Quit Rents ceremony, at which City of London elders pay the Crown, as they have for more than 700 years, for land in Shropshire and a forge in London. No one knows where the land in Shropshire is and the forge is buried deep under Australia House.

"It's just a ceremony now. They don't have the land any more but they still render up these quit rents, of course."

According to the Remembrancer's Chief Clerk, Ian Denyer, there was also some talk of a quit rent being due on London Bridge but this seems to have faded, just as well since the bridge is now in Arizona where a Stetson is more familiar than a tricorn. At any rate, the rents paid for the nonexistent forge and land in Shropshire are quite sufficient, consisting of six horseshoes and 61 nails for the forge and one sharp knife and a blunt one for the land.

On one wall of the room in which Master Topley was receiving is a large engraving of the 1811 Quit Rents ceremony. On another wall, in a glass case, is a battered tricorn worn by 16 successive Remembrancers from 1845 to 1966, when it was retired, and below that hang the pair of knives used in 1992. "Normally I'd give them to a museum but the museum didn't want them so I've put them here," Master Topley said.

The knives were traditionally used to cut and split a hazel branch of a cubit's length one half of which was kept by the payer and one half by the Crown as a sort of receipt. "They had the sharp knife for cutting the rod and the blunt one for splitting it. There were notches put in the rod and the sharp knife was available for that. It may be a bit lost in the mists

of time," the Queen's Remembrancer said, "but it's the theory I heard and the one I always promulgate."

The six horseshoes, big as soup plates, worn by Flemish fighting horses, and 61 nails have been exchanging hands for more than 550 years. "They're brought to me by the City through the back door and Mr. Denyer slips them back to the City so they're available for presentation the next year."

Mr. Denyer keeps the horseshoes and nails in a leather briefcase in his office, along with huge metal files of Remembrancer's memories and, in a green plush bag, the great seal of the Chancellor of the Exchequer, green being the Exchequer color. The seal is nearly as big as a Flemish fighting horse's shoe.

Master Topley became the Queen's Remembrancer in 1990 because the Senior Master of the Supreme Court traditionally holds the post. It doesn't take much of his time, he says. It is an unpaid job and does not give him any particular precedence.

"There must be somewhere a great list of where people sit but the Remembrancer is fairly low in the batting order. I mean I do get invited to these banquets in the City but I don't sit at the high table or anything like that. I'm sort of well down the order."

No one would argue that the ancient ceremonies celebrated by the Queen's Remembrancer have any particular relevance today except perhaps to suggest that, in the absence of being, they demonstrate that Britain has been. "I hope that nobody thinks that in the economics we seem to face all over the world this sort of thing should die out," the Queen's Remembrancer said. "I don't think there's any particular reason to think it will."

LANGUAGE

The Latest Cliché Is a Tough Sell

By William Safire

NEW YORK — When a Democratic Congress received a proposed annual budget from a Republican president, a hospital emergency-room term was invariably used to describe its reception: "Dead on Arrival," DOA for short. This year, with one party in control of both Congress and the White House, the famous phrase was the basis of a pun: "While the Clinton budget will not be Dead on Arrival," said John Kasich, ranking Republican on the House Budget Committee, "there's no question that it's Debt on Arrival."

All agreed, however, that the tax provisions in the president's budget

"tough sell" if "Shogun" had flopped. In 1984, John Carman of The Atlanta Constitution observed that "a lawyerly series devoted to complex issues is a tough sell for TV viewers."

The phrase appeared in the political lexicon in 1987 as Bruce Babbitt, a former governor of Arizona (now interior secretary) carried his campaign for the Democratic nomination for president into New York, where he dared to suggest higher taxes: "I know New York is a tough sell," he said, and did not get its support; Senator Al Gore, who said he favored higher taxes on high-income Social Security recipients, fared better in his own tough sell.

We have witnessed the functional shift of the verb *sell* to the noun *sell*, which began in the 19th century, and was popularized during the 1930s with *hard sell* and *soft sell*. The *hard* did not mean "difficult," but signified "loud, strident," as in much automobile advertising, extended to "rigorous, uncompromising, harsh," even bordering on "brutal, cruel," as if slamming the potential buyer against the wall. The *soft sell*, on the contrary, was "subtle, gentle," but often carried the connotation of being slightly deceptive; as Fred Fish, editor in chief of Merriam-Webster, reminds us, the verb *to sell* began with a sense of betrayal of trust.

If you have a *tough sell*, or difficult assignment of persuasion, you will probably want to avoid the *hard sell*, with its authoritarian or patty tone, which turns off many potential buyers; at the same time, you should avoid the slickness associated with *soft sell*. Easy to do? Nope; that's what makes it a *tough sell*.

On a visit to George Stephanopoulos, the Clinton communications director, I wondered why when the date of the *hundred days* would be. Without missing a beat, he said, "April 30."

In a few days, we will be inundated with thumbsuckers assessing the "first hundred days of the Clinton administration." For historical perspective, it should be noted here that the phrase did not begin in Franklin D. Roosevelt's time, though it was popularized at the time of the 1933 special session of Congress he called to combat the Depression.

Louis XVIII (that's the 15th, as those of us who watched the Redskins trounce in the Super Bowl never forget) the triumphant return to the island of Elba, got out of Paris in a hurry. After the Napoleonic tide was turned back at Waterloo, the prefect of Paris, Louis de Chabrol de Volvic, told the returning king, "A hundred days, sire, have elapsed since the fatal moment when your majesty was forced to quit your capital in the midst of tears."

Mark your calendar: The subsequent assessment of the Clinton era will be made on Oct. 17, 1995. That will be a *thousand days*, the title of a memoir by the historian Arthur Schlesinger Jr., based on John F. Kennedy's remark to Ted Sorensen during the preparation of the inaugural address: "I'm sick of reading how we're planning another 'hundred days' of miracles. Let's put it in that this won't all be finished in that hundred days or a thousand." That was done, in a passage ending "But let us begin; the thousand-days phrase gained poignance when it measured the approximate length of the Kennedy administration."

This week, it's hundred-days time. Let us begin, assignment editors, and let us get it over with.

IBM has had a difficult time lately, and I hate to pile on, but Jacques Barzun has just sent me its 1991 annual report. It suggests why the company may have had dark days in 1992.

The report writer wanted to say that IBM was making better products, which would allow it to compete successfully. But after the thought went into the word process, the headline in the report proudly read: "Competing With Better Products."

As Barzun notes, "The text does not say whose products are better than IBM's, very likely because that is not what the man who wrote the head thought he was saying."

New York Times Service

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WEATHER

Forecast for Tuesday through Thursday



North America
Philadelphia and Washington, D.C., will have clearing Tuesday, but it will be brisk and cool, then Wednesday, and Thursday will be partly sunny. Detroit and Toronto will have some sunshine each day Tuesday through Thursday. After sunrise on Tuesday, rains will move into Vancouver Wednesday.

City	High	Low	High	Low	High	Low
Algeria	12/20	8/14	12/20	8/14	12/20	8/14
Amsterdam	15/20	8/14	15/20	8/14	15/20	8/14
Antwerp	14/20	8/14	14/20	8/14	14/20	8/14
Athens	17/25	10/15	17/25	10/15	17/25	10/15
Bangkok	29/35	24/28	29/35	24/28	29/35	24/28
Beijing	15/20	5/10	15/20	5/10	15/20	5/10
Bombay	28/33	23/28	28/33	23/28	28/33	23/28
Buenos Aires	18/23	8/13	18/23	8/13	18/23	8/13
Calcutta	28/33	23/28	28/33	23/28	28/33	23/28
Cairo	22/27	12/17	22/27	12/17	22/27	12/17
Cardiff	12/17	7/12	12/17	7/12	12/17	7/12
Chengde	15/20	5/10	15/20	5/10	15/20	5/10
Chongqing	18/23	8/13	18/23	8/13	18/23	8/13
Copenhagen	15/20	5/10	15/20	5/10	15/20	5/10
Dakar	28/33	23/28	28/33	23/28	28/33	23/28
Dallas	18/23	8/13	18/23	8/13	18/23	8/13
Dhaka	28/33	23/28	28/33	23/28	28/33	23/28
Frankfurt	15/20	5/10	15/20	5/10	15/20	5/10
Geneva	12/17	7/12	12/17	7/12	12/17	7/12
Hankou	15/20	5/10	15/20	5/10	15/20	5/10
Hong Kong	22/27	12/17	22/27	12/17	22/27	12/17
London	12/17	7/12	12/17	7/12	12/17	7/12
Los Angeles	18/23	8/13	18/23	8/13	18/23	8/13
Madrid	15/20	5/10	15/20	5/10	15/20	5/10
Manila	28/33	23/28	28/33	23/28	28/33	23/28
Moscow	15/20	5/10	15/20	5/10	15/20	5/10
Mumbai	28/33	23/28	28/33	23/28	28/33	23/28
Nairobi	22/27	12/17	22/27	12/17	22/27	12/17
Paris	15/20	5/10	15/20	5/10	15/20	5/10
Perth	18/23	8/13	18/23	8/13	18/23	8/13
Port of Spain	28/33	23/28	28/33	23/28	28/33	23/28
Reykjavik	12/17	7/12	12/17	7/12	12/17	7/12
Rome	18/23	8/13	18/23	8/13	18/23	8/13
Saigon	28/33	23/28	28/33	23/28	28/33	23/28
Saint Petersburg	15/20	5/10	15/20	5/10	15/20	5/10
Seoul	15/20	5/10	15/20	5/10	15/20	5/10
Shanghai	15/20	5/10	15/20	5/10	15/20	5/10
Singapore	28/33	23/28	28/33	23/28	28/33	23/28
Sydney	18/23	8/13	18/23	8/13	18/23	8/13
Taipei	18/23	8/13	18/23	8/13	18/23	8/13
Tokyo	15/20	5/10	15/20	5/10	15/20	5/10
Yokohama	15/20	5/10	15/20	5/10	15/20	5/10

Legend: s, storm; r, rain; dr, drizzle; cl, cloudy; b, broken; sh, showers; f, fog; h, haze; w, wind; v, variable; m, mist; n, no; p, part; s, snow; h, high; l, low; w, weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1993

Asia

City	High	Low	High	Low	High	Low
Bangkok	29/35	24/28	29/35	24/28	29/35	24/28
Beijing	15/20	5/10	15/20	5/10	15/20	5/10
Bombay	28/33	23/28	28/33	23/28	28/33	23/28
Calcutta	28/33	23/28	28/33	23/28	28/33	23/28
Chengde	15/20	5/10	15/20	5/10	15/20	5/10
Chongqing	18/23	8/13	18/23	8/13	18/23	8/13
Copenhagen	15/20	5/10	15/20	5/10	15/20	5/10
Dakar	28/33	23/28	28/33	23/28	28/33	23/28
Dallas	18/23	8/13	18/23	8/13	18/23	8/13
Dhaka	28/33	23/28	28/33	23/28	28/33	23/28
Frankfurt	15/20	5/10	15/20	5/10	15/20	5/10
Geneva	12/17	7/12	12/17	7/12	12/17	7/12
Hankou	15/20	5/10	15/20	5/10	15/20	5/10
Hong Kong	22/27	12/17	22/27	12/17	22/27	12/17
London	12/17	7/12	12/17	7/12	12/17	7/12
Los Angeles	18/23	8/13	18/23	8/13	18/23	8/13
Madrid	15/20	5/10	15/20	5/10	15/20	5/10
Manila	28/33	23/28	28/33	23/28	28/33	23/28
Moscow	15/20	5/10	15/20	5/10	15/20	5/10
Mumbai	28/33	23/28	28/33	23/28	28/33	23/28
Nairobi	22/27	12/17	22/27	12/17	22/27	12/17
Paris	15/20	5/10	15/20	5/10	15/20	5/10
Perth	18/23	8/13	18/23	8/13	18/23	8/13
Port of Spain	28/33	23/28	28/33	23/28	28/33	23/28
Reykjavik	12/17	7/12	12/17	7/12	12/17	7/12
Rome	18/23	8/13	18/23	8/13	18/23	8/13
Saigon	28/33	23/28	28/33	23/28	28/33	23/28
Saint Petersburg	15/20	5/10	15/20	5/10	15/20	5/10
Seoul	15/20	5/10	15/20	5/10	15/20	5/10
Shanghai	15/20	5/10	15/20	5/10	15/20	5/10
Singapore	28/33	23/28	28/33	23/28	28/33	23/28
Sydney	18/23	8/13	18/23	8/13	18/23	8/13
Taipei	18/23	8/13	18/23	8/13	18/23	8/13
Tokyo	15/20	5/10	15/20	5/10	15/20	5/10
Yokohama	15/20	5/10	15/20	5/10	15/20	5/10

Africa

City	High	Low	High	Low	High	Low
Algeria	12/20	8/14	12/20	8/14	12/20	8/14
Amsterdam	15/20	8/14	15/20	8/14	15/20	8/14
Antwerp	14/20	8/14	14/20	8/14	14/20	8/14
Athens	17/25	10/15	17/25	10/15	17/25	10/15
Bangkok	29/35	24/28	29/35	24/28	29/35	24/28
Beijing	15/20	5/10	15/20	5/10	15/20	5/10
Bombay	28/33	23/28	28/33	23/28	28/33	23/28
Buenos Aires	18/23	8/13	18/23	8/13	18/23	8/13
Calcutta	28/33	23/28	28/33	23/28	28/33	23/28
Cairo	22/27	12/17	22/27	12/17	22/27	12/17
Cardiff	12/17	7/12	12/17	7/12	12/17	7/12
Chengde	15/20	5/10	15/20	5/10	15/20	5/10
Chongqing	18/23	8/13	18/23	8/13	18/23	8/13
Copenhagen	15/20	5/10	15/20	5/10	15/20	5/10
Dakar	28/33					